

Clinton Is Diminished, But Still the Main Man

Around World, Power of the Presidency Retains Respect the Person Has Lost

By Craig R. Whitney
New York Times Service

PARIS — In the eyes of many of his fellow leaders and ordinary people around the world, President Bill Clinton has suffered a loss of stature following investigations of his private life and his admission that he had an inappropriate relationship with a White House intern in the Oval Office. But he has lost little of the authority and power conferred on him by the presidency.

Some, particularly in the Arab world, fear that since the public humiliation caused by disclosure of his conduct with Monica Lewinsky, Mr. Clinton no longer has the moral authority to use his great power as they would like to see it used — for example, to bring pressure on Israel.

Others in the Middle East and Africa say they believe that he ordered military strikes against alleged terrorist targets in Sudan and Afghanistan to divert attention from embarrassment at home and fear that he might be tempted for the same reason to be reckless in future crises.

But leaders everywhere say that whatever Mr. Clinton's private life, his position as leader of the world's most powerful economy and of the only military superpower gives him an indispensable role in dealing with international problems, whether terrorism or turmoil in Russia.

For that reason, he went to Moscow on Monday night with the blessings of his fellow leaders of the Group of Seven leading industrialized democracies and with advice collected by his close friend, Prime Minister Tony Blair of Britain, during the weekend.

According to a survey by New York Times correspondents on five continents, officials and ordinary people, whether they feel sympathy, pity, contempt or concern for Mr. Clinton personally, stand in awe of the power of the presidency — if somewhat less in awe of the character of the man now occupying the office.

"An emperor should behave like an emperor and a father should behave like a father," said Yan Xuetong, a foreign policy expert at the Chinese Institute of Contemporary International Relations, which is sponsored by the Chinese govern-

ment. He was citing a saying of Confucius.

Because of Mr. Clinton's difficulties over the summer, leaders in some countries are quicker than usual to take issue with American policies, privately if not publicly.

One high-ranking European official, asking not to be identified by name, criticized the president's determination to go ahead with his visit to Russia on Tuesday and Wednesday despite the political and economic turmoil that has hobbled President Boris Yeltsin.

"It's a completely useless meeting," this official said, "but neither Yeltsin nor Clinton could afford to be the first to say, 'Let's call it off.'" Another, from a different European allied country, said, "The only thing worse than carrying out this meeting between two wounded heavyweights

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Mr. Clinton ending his vacation.

Democrats Start to Fear The President's Coattails

Dream of Regaining a Majority Is Fading

By Richard L. Berke
New York Times Service

WASHINGTON — In the two weeks since President Bill Clinton acknowledged his relationship with Monica Lewinsky, the tension and uncertainty within the Democratic Party have not diminished but have, in fact, intensified as its candidates gear up for the general election campaign.

Already, Mr. Clinton's disclosure is beginning to undermine the drive to put forth a full-throated Democratic agenda, according to party candidates and strategists, who say there is a growing consensus that the party has all but forfeited its prospect for closing the 11-seat gap and winning back control of the House.

Some of these Democrats say the party could even suffer a net loss of more than a dozen seats, making any return to the majority a very arduous effort — and one that could take years.

Mayor Roxanne Qualls of Cincinnati, a Democrat in a tight contest for the House, expressed frustration that as she tries to discuss Social Security, health care and education, the press and the Republicans want only to bring up Ms. Lewinsky.

"It's not helpful to me and it's not helpful to the voters because the issues aren't focused on," Ms. Qualls said.

Many Democratic candidates around the country are putting distance between themselves and Mr. Clinton, leaving party leaders in the awkward position of backing candi-

dates who do not want the president to travel to their states or districts.

In this crucial start of the autumn campaign season, when it is especially important that the party display a united front, Mr. Clinton's disclosure has exacerbated tensions between the president and party stalwarts like Dick Gephardt of Missouri, the House minority leader who last week accused Mr. Clinton of "reprehensible" behavior.

The president himself was described by several people who have talked with him in recent days as dejected and worried that the matter could take a toll on the outcome in November, and thereby his influence on Capitol Hill.

Mr. Clinton has talked with senior Democratic lawmakers, aides said, seeking to reassure them about the elections and his ability to function.

"I don't know if he's as much worried about November as he is about his job — it's all wrapped up together," said one adviser who spoke several times to the president last week. "You do not want this to snowball and get out of control."

Despite the defensive and unsettled posture of many Democrats, party leaders put on a brave face in public.

They insist that fund-raising is holding steady, and they cling to polls showing that Mr. Clinton's job approval ratings have remained strong.

Another sign bringing them hope is that several contenders said the Lewinsky matter had not come up in their races; even some Republicans said it

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Dow Drops 500 in Market Frenzy



Viktor Chernomyrdin speaking with deputies in the Duma on Monday before his nomination as prime minister was overwhelmingly defeated.

Parliament Hands Yeltsin Defeat Over His Nominee

Power Struggle Grows More Acrimonious

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin suffered an overwhelming defeat in Parliament Monday on his nomination of Viktor Chernomyrdin as prime minister.

Mr. Yeltsin immediately resubmitted the nomination while Russian political leaders voiced fear that a prolonged power struggle would aggravate the country's severe financial crisis.

The defeat left Mr. Yeltsin without a formal government in place as President

Clinton speaks out to support reforms. Page 6.

Bill Clinton was due to arrive in Moscow on Tuesday for a 48-hour Kremlin summit meeting, his first visit here in more than two years.

The Russian economic crisis is expected to dominate the talks, and the two leaders are reported by aides not to have any major agreements to sign.

Mr. Clinton has said he intends to express sympathy and support for Russian economic reform, but there is little he can do to stem Russia's slide.

The 450-member lower house of Parliament, the State Duma, rejected Mr. Chernomyrdin by a vote of 251 to 94, with the remainder not voting.

The rejection followed an appeal by Mr. Chernomyrdin, who is acting prime minister, that the country "is on the brink economically and politically."

Mr. Chernomyrdin, who was dismissed in March and reappointed in August after devaluation of the ruble and a default on Russia's internal debts, took a verbal lashing from all sides in

the lower house. He was opposed by the Communist Party, the largest faction in the Duma, by the centrist Yabloko movement led by Grigori Yavlinsky and by the ultranationalist leader, Vladimir Zhirinovskiy.

Mr. Chernomyrdin was repeatedly attacked for his role in contributing to Russia's financial crisis. "What they have been creating for the last seven years under the guise of democratic reforms is totally in ruins," said Gennadi Zyuganov, head of the Communist Party. "You would not be able to handle it," he declared to Mr. Chernomyrdin, who listened to the debate, "and a massive collapse will begin — after everything that has already happened."

Mr. Yavlinsky said Mr. Chernomyrdin "simply does not understand what happened when he was in power."

The horse-trading and uncertainty left by the Duma vote unsettled Russian politicians as the country seemed to be drifting amid a dire financial crisis that has paralyzed the stock market, endangered the banking system, shut the main currency exchange and disrupted retail trade and imports.

"The fire is raging now," complained an angry Yuri Luzhkov, the powerful mayor of Moscow, who earlier had endorsed Mr. Chernomyrdin. "How can they not understand this?" he asked, referring to the members of Parliament.

"I am terribly upset that for two weeks they can't make one concrete decision," Mr. Luzhkov said to reporters, adding, "Who cares?" He was alluding to the political pact that preoccupied the lawmakers and the Kremlin officials in recent days.

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Taiwan's Leader Takes a Defiant Line

President Vows to Break Out of Isolation Imposed on Island by Beijing

By Nicholas D. Kristof
New York Times Service

TAIPEI — Resisting pressure to forge closer ties with mainland China, President Lee Teng-hui said Monday that he was seeking a "breakthrough" from the isolation imposed on the country by the government of mainland China.

In language that contrasted with the vision of the Taiwan Strait outlined by Chinese leaders and by President Bill Clinton during his trip to Beijing two months ago, Mr. Lee, in an interview, ridiculed Beijing's concept of "one China" and emphasized that Taiwan's destiny must be determined only by the people of Taiwan.

He scorned suggestions that he endeavor to work out some kind of agreement with Beijing over Taiwan's future.

Mr. Lee's comments, his first to an American publication since President Clinton's trip to China, underscored Taiwan's growing sense of identity separate from mainland China.

Some American scholars and government officials have been warning that the risk of military conflict is growing because Taiwan and China are drifting apart and because Beijing has increasing doubts that Taiwan will ever return voluntarily to the "motherland."

Speaking for more than two hours alternately in Mandarin, English and Japanese, occasionally in the same sentence and always with exuberance, Mr. Lee offered perhaps his clearest statement so far of his own aspirations for Taiwan.

Officials in Beijing, already concerned that Mr. Lee is quietly maneuvering to remove Taiwan from the

Chinese fold, are likely to be newly anxious and upset.

Although President Lee reiterated his official position that Taiwan wanted to reunify with the mainland once China achieved democracy, he also referred to reunification in ways that are sure to alarm China's leaders.

Asked if he envisioned reunification as the creation of a single state or as something looser, like a Chinese version of the British Commonwealth, Mr. Lee grinned and suggested that just about anything was possible.

"What the final form will be — a federal form, a com-

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President Lee Teng-hui of Taiwan at a party congress.

Sell-Off Pushes Index Below 7,600 And Wipes Out All Gains for 1998

By Mitchell Martin
International Herald Tribune

NEW YORK — A spasm of selling erased all of Wall Street's 1998 gains on Monday, as concerns about a weak world economy discouraged investors.

The Dow Jones industrial average lost 512.61 points, the second-largest point drop on record, to close at 7,539.07. The Dow began the year at 7,908.25 and had not been below 8,000 since February. The index has now fallen 19.26 percent from the record high set July 17.

The unsettled situation in Russia and the sharp fall in the Hong Kong market (Page 11) were contributing factors to a sense that profits at American corporations would not support the record levels that stock prices had achieved in mid-July. A lack of appetite for stocks worldwide has caused markets to slide across Europe and Asia.

Michael Metz, chief investment strategist at CIBC Oppenheimer Corp., said he did not think the sell-off had run

cited heavy volume and the abandonment of such market favorites as Lucent Technologies Inc., General Electric Co. and some of the major pharmaceutical makers. "By definition," she said, "the strongest come down last."

Edward Collins, head of U.S. equity trading at Daiwa America, said, "This market looks pretty ugly right now." But he agreed with Ms. MacKay that this was a sign of an impending bottom. "Sometimes it has to look so ugly that people are spitting up stocks as fast as they can, and maybe that's where they are now."

On the other hand, he added, "the market is very, very oversold, but that doesn't mean we can't get more oversold."

The most significant selling Monday came among technology issues, reflected in the record 140.52 point fall in the Nasdaq composite index, which ended at 1,499.16. Dell Computer Corp. and

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North Korea Test-Fires a Missile Off Japan's North

By Don Kirk
International Herald Tribune

SEOUL — North Korea test-fired its longest-range ballistic missile to date into waters off northern Japan on Monday in a show of strength that analysts believed was designed to impress its own starving people as much as the rest of the world.

Military authorities here, in Washington and in Tokyo confirmed that the Taepo-Dong-1 missile, capable of carrying a nuclear warhead 2,000 kilometers (1,250 miles), knifed into the sea soon after noon after having been fired from north of Wonsan, a major port on North Korea's east coast.

It was the first time in more than five years that North Korea had fired one of its missiles, all designed with technology supplied by Russian advisers in the 1970s and 1980s. North Korea fired a much smaller Rodong-1 missile about 550 kilometers on May 29, 1993, and fired Scud missiles in 1984 and 1986.

Russian and Japanese warships were said to be converging on the site where the missile came down, although it was not immediately clear exactly where the multistage rocket hit. Late reports suggested that an early stage fell close to or within Russian territorial waters near Vladivostok while the final stage reportedly crossed over the main Japanese island of Honshu to end up in the northern Pacific Ocean.

Tass said that a U.S. aircraft, which it called "an American Orion spy plane," had been able "to spot the rocket's launch and fall." The Pentagon said it viewed the missile-firing as "a serious development."

The firing sent shock waves through the South Korean government, which has been pursuing a "sunshine policy" of reconciliation with North Korea, and jeopardized a \$4.6 billion project by the United States, South Korea, Japan and the European Union for building a light-water nuclear reactor in the North.

North Korea, marketing its Scud and Scud-based Rodong missiles to Middle Eastern countries, including Iran, Syria

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AGENDA

Iraq Demands UN Investigation

UNITED NATIONS, New York (Reuters) — The Iraqi envoy to the United Nations, Nizar Hamdoun, on Monday gave a letter to the president of the Security Council that calls for an investigation into alleged links between UN weapons inspectors and the United States and Israel.

Mr. Hamdoun said the letter requested an investigation of what he called "this whole mess that has been generated by the resignation" last week of Scott Ritter, an American UN arms inspector, and reports the United States had intervened to "try to reschedule" inspections.

When Mr. Ritter resigned, he criticized the United States and accused several times to influence the timing and target of inspections.

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Testing for What Could Ail Us in Everyday Products

By John H. Cushman Jr.
New York Times Service

UNIONDALE, New York — In a Long Island laboratory where robots in glass cages shuffle tiny trays of cells all day and all night, the Environmental Protection Agency is gearing up for one of the most ambitious projects ever proposed to test chemicals found in everyday products for harmful side effects.

Under contract to the agency, OSI

Pharmaceuticals Inc. has been asked to show how the drug industry's advanced automated techniques for hunting down useful compounds could also be used to quickly screen thousands of everyday chemicals, from plastics to pesticides, looking for those that might interfere with the hormonal systems of people and wildlife.

OSI's scientists have genetically engineered human cells with DNA from fireflies so that the cells glow when a

chemical sample triggers the same molecular switches that in normal cells would respond to hormones. That glow is like a yellow warning light, a signal that the chemical ought to be rigorously tested using laboratory animals.

These experiments are crucial to a plan, drafted over the past two years by an expert committee of scientists, industry representatives and environmentalists, to survey the entire chemical landscape looking for what molecular biologists

call endocrine disruptors: substances that can mimic or interfere with the body's hormones and cause problems with reproduction, development and behavior.

The action is in response to a growing body of research indicating that man-made industrial chemicals and pesticides may commit a kind of molecular sabotage within the body's regulatory apparatus, possibly causing birth de-

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Patagonia's Pride / 'Back From the Edge of Extinction'

Far From Humans, the Right Whale Thrives

By Anthony Faiola
Washington Post Service

PENINSULA VALDES, Argentina — Deep in winter-time Patagonia, the gulfs of this enclaved peninsula are the breeding grounds of the right whale, the rarest kind on Earth.

Only right now, they suddenly do not seem so rare: In numbers not seen in half a century, right whales are heeding the call of the wild, romancing enormous females. Just for the fun it, dozens of dark, burly beasts are leaping and twirling from the water like ballerinas who weigh 50 metric tons.

It is a scene that has scientists worldwide both excited and slightly mystified.

Indeed, for the first time since their contact with humankind, things here are finally going right for the endangered right whale — so dubbed, experts say, because early whalers considered them the "right" whale to hunt. They are one of the few whales that float, rather than sink, after being harpooned, making them the easiest targets for whalers before more sophisticated techniques expanded hunting to other species.

At the turn of the century, there were an estimated 60,000 right whales worldwide, but since the animals — which measure 17 meters (55 feet) or more — were prized for having the thickest blubber of the big whales, they were targeted by whalers. Even after right whale hunting was banned in 1937, they were poached mercilessly. Russian and Ukrainian fleets illegally harvested at least 2,000 off the coast of South America in the 1960s alone. The killings brought both the northern and southern species of right whale to near extinction; in the early 1970s there was an estimated world population of only 4,000. Today, there are an estimated 7,000 whales.

Now, scientists are calling what is happening here one of the most important recoveries of a whale species this century. The number of southern right whales here has ballooned to about 2,500 from 360 in 1971, and they are reproducing at the extraordinary growth rate of about 7 percent a year. The boys along the coast here now harbor almost half of the whale's world population.

Compare that with the currently recorded number of 300 northern right whales, which range off the coast of the United States from Maine to Florida. Their population, up from 250 about 10 years ago, is far more unstable and genetically weak, edging up about 2 percent a year and enduring a far greater rate of infant mortality, whale experts say.

Although scientists are still at a loss to define the vast difference in growth rates, they are leaning toward the most obvious answer: Right whales here are confronted with less man-made pollution and commerce than their northern cousins. Put simply, if you leave them alone, they will thrive.

"I think you could call what's happening in Ar-



A right whale female swimming with her calf near a tourist boat off Peninsula Valdes, Argentina. The population of southern right whales here is growing at 7 percent a year.

gentina a case study on how to bring a species of whale back from the edge of extinction," said Roger Payne, a leading American whale expert who founded a field station here in 1971 to study southern right whales. "Take the negative human effect out of the equation and you've got great chances for success."

Southern right whales live in seas far less traveled by commercial shipping vessels than their northern cousins, who are of the same genus but are a distinct species bearing slightly different markings. Almost 60 percent of northern right whales bear scars, some deep enough to eventually kill them, from run-ins with large ships.

No similar statistics are available for southern right whales, but scientists say scarring is far less prevalent in populations here because of less intensive commercial shipping. Patagonia is sparsely populated, with 2.7 people per square kilometer (seven people per square mile), and has no large ports or population centers such as New York, Boston or Washington-Baltimore. That also means less pressure from pollution in the waters, which scientists believe is causing serious problems for the northern whales, especially their young.

Despite mounting commercial fishing in the waters off Argentina's continental shelf, the whales also have found a friend in the Argentines. Argentines took a leading role in banning commercial whaling in the 1980s, though poachers — in particular the Japanese, Norwegians and Russians — continue to harvest dozens of whales.

The Argentines quickly learned that protecting

whales was mutually beneficial. Here in wind-swept coastal Patagonia, a semi-arid, often-frigid region dotted with desert shrub and inhabited by guanacos (oversized llamas), sea lions, sea elephants and penguins, whale watching has helped make tourism a huge industry.

To maintain the industry and the whales, the Argentines designated the Gulf of San Jose, one of the whales' most important breeding grounds on Peninsula Valdes, a whale reserve, which is strictly monitored. The waters here are ideal for breeding, scientists say. The whales are attracted to the narrow inlets 4.5 to 9 meters deep, thought to be perfect for nursing newborn calves.

The whales themselves are considered "living national monuments," the highest level of protection afforded to animals in Argentina. Strict population and zoning limits have been set on the number of people allowed to live in towns here, and the number of whale-watching boats and customers are limited by regulation. A master plan being developed for the coastal region of Patagonia is considering even stricter development rules.

But there are signs that humans here, too, are having a negative impact. Some nations, such as South Africa, have put laws into effect that limit whale watching to boats without engines. Argentina permits power boats, but some skippers do not always obey regulations to cut their engines within 100 meters of the animals.

ALSO, population growth on this peninsula and the increase in commercial fisheries have created another problem. Though the whales come here only to mate, the onshore fisheries have lured thousands of sea gulls that gouge the skin of the whales' backs.

"The whales hate it," said Victoria Rowntree, director of the Right Whale Program of the Whale Conservation Institute. "It's obvious. When they're bitten, they turn around and dive to avoid the gulls," he said, which "especially go after the babies. Sometimes, the gashes are very deep."

The whales migrate to Patagonia to breed after spending months building up their fat feeding in the colder waters near Antarctica. In the past, they were noted only in September and October, but now they are abundant from June through December. No one knows exactly why. It could be that people just notice them more. But others have postulated that higher water temperatures from global warming have changed their mating habits.

"We'll continue trying to find the key," Mariano Coscarella, a marine biologist with the National Patagonian Center, said. "But right now, I just want to enjoy it. I live across from the beach, and in the mornings, I'm woken up by the sound of whales breathing in the gulf. What can I say? It is the most beautiful sound I've heard in my life."

Bin Laden's Cash Flow To Terrorists Protected

U.S. Officials Doubt Pipeline Can Be Cut

By Joseph Fitchett
and Brian Knowlton
International Herald Tribune

Shutting down the cash pipeline from Osama bin Laden's business interests to his terror network could prove as difficult for the United States as interdicting men and materiel along the elusive Ho Chi Minh trail during the Vietnam War.

In the aftermath of the twin terrorist bombings in Africa, which the United States has cited as the work of Mr. bin Laden, President Bill Clinton signed an order last month to block the Saudi exile's assets, but transactions with him by U.S. citizens and companies and apply a similar ban to companies associated with him.

But U.S. officials acknowledge that the task will be difficult, and a range of experts suggest that it will be largely symbolic.

"They're not going to see a penny's worth of bin Laden's assets," Steve Emerson, director of Investigative Group, a Washington-based firm that specializes in anti-terrorism, said in an interview.

"Bin Laden doesn't hold his assets in this country or in his name — his assets are co-mingled with other people's," Mr. Emerson said.

"He has them in endowments and religious-charitable groups. They're certainly not going to seize his money in Sudan, and the Arab banks that hold some of it are not going to reveal the source to the U.S."

A myriad of businesses are controlled by Mr. bin Laden in the Middle East, ranging from construction and agribusiness to banking and investment firms.

By using holding companies, a former U.S. intelligence officer said, Mr. bin Laden could place layers of ownership between himself and his front companies, putting "cut-outs between his name and the front organization that does the business."

Washington will find it impossible to cut Mr. bin Laden's money line, the intelligence source added, "if he is still getting some family protection," a reference to Bin Laden Group, a construction empire based in Jidda that made its fortune in building projects for the Saudi royal family. Much of Mr. bin Laden's wealth is inherited from his late father.

Osama bin Laden's personal wealth has been estimated at \$300 million.

His holdings reportedly include import-export businesses in Kenya and a cluster of investments in Yemen, most of them owned by middlemen, according to accounts in Arab newspapers.

One Treasury Department official saw some hope if other countries co-operate.

"No one anticipates that this is going to have an enormously disruptive effect immediately, but its benefits to us over time — especially if we get the cooperation of allies — could well be significant," the official said.

So far, no foreign governments have acknowledged being approached for help, but a French official said that "we have been told to expect some names of people and companies" from Washington as leads for investigation.

According to the former intelligence officer, U.S. operatives cannot rely on their own limited experience and expertise.

"You need help from people inside banks and businesses," the official said, "and this is an area where secrecy is the

rule and legal authority for action very sketchy at best."

Mr. bin Laden has always been able to tap other people's money when he needs it.

In Afghanistan, his charisma came mainly from his success not as a guerrilla leader but essentially as "a fundraiser, bringing in a lot of money," according to a former CIA official, Milton Bearden, who ran covert operations in Afghanistan involving Mr. bin Laden.

In Washington, Arnaud de Borchgrave, who heads the Global Organized Crime Project at the Center for Strategic and International Studies, added that Mr. bin Laden today has "got a lot of wealthy, fat cat Arabs and Saudis who don't like what's happening in their country and are hedging their bets."

■ Saudi Links Are a Target

John Mintz of The Washington Post reported from Washington:

U.S. officials say they are trying to overcome Mr. bin Laden's continuing ties to wealthy individuals in Saudi Arabia and other Gulf countries who have donated funds to his Islamic social service organizations.

The links have discouraged officials in the region from cooperating fully with U.S. intelligence agencies seeking access to banking records, according to U.S. government officials and private experts on terrorism.

Among the leads that investigators are pursuing is information supplied to Saudi intelligence agencies by Mohammed bin Moalib, once a top bin Laden accountant.

Arrested in Pakistan last year, Mr. bin Moalib was flown to Saudi Arabia, where he began cooperating with authorities.

Mr. bin Laden almost certainly shifted funds after his treasurer's arrest, officials said.

While Mr. bin Laden is connected to the world by fax and encrypted telephone communications from his headquarters in the mountains of Afghanistan, he often conducts business through personal emissaries, making his transactions harder to trace.

"Money moves through mysterious channels," a former State Department counterterrorism official said. "A good deal of it moves in suitcases, and it's not always easy to track what flows for terrorist purposes."

The Paris-based newspaper Al Watan al Arabi has reported that Mr. bin Laden operates through holding companies in Luxembourg and Amsterdam, that he pays people unconnected to his movement to act as front men and that he handles the multimillion-dollar opium earnings of his hosts in the extremist Muslim Taliban movement, who control Afghanistan.

But he also maintains a network of legitimate businesses, including a European fertilizer wholesaler called Wadi al Aqiq and a Sudanese road contracting company called Al Hira, plus banks, venture capital firms and export-import ventures.

The United States "is not off square one" on tracking Mr. bin Laden's assets, said Kenneth Katzman, a senior Middle East policy analyst at the Congressional Research Service who has tracked Mr. bin Laden for years.

He added, "And I don't know how they're going to get at that."

He said that anyone who claimed to know about Mr. bin Laden's assets was lying. "It's just impossible to find them," he said.

Family and Public Hold Quiet Memorials for Diana

The Associated Press

CRATHIE, Scotland — A year after the death of Diana, Princess of Wales, thousands of people commemorated one of the most public lives of modern times Monday, while those who knew her best marked the anniversary in the seclusion of their Scottish castles.

Diana's sons, Prince William, 16, and Prince Harry, 13, looking somber and wearing black ties, prayed for their mother at a private service for the royal family near Balmoral Castle, where their father woke them last Aug. 31 to tell them of her fatal car crash in Paris.

In London, the pile of flowers at the gates of the princess' former home at Kensington Palace grew to about a thousand bouquets Monday morning. Messages in many languages, photographs taken from newspapers, and paper hearts adorned the black and gold palace gates.

Scores of well-wishers held an all-night candle-lit vigil, and public memorial services were planned at the city's great cathedrals.

The Union Jack flew at half staff on government buildings and royal residences, as an official symbol of the personal and public remembrance of Diana.

In Paris, a small crowd kept an all-night candle-lit vigil at a gold-leafed replica of the flame of the Statue of Liberty, which was given to the French people in 1987 on the centenary of the International Herald Tribune as a symbol of the friendship between France and the United States. The flame is above the tunnel where the car carrying the princess and her companion, Dodi al Fayed, crashed last year. Thirty-six candles surrounded the statue — one for each year of Diana's life.

For Diana's family, it was a day for quiet reflection.

At Althorp, 75 miles (120 kilometers) north of London, away from the public gaze, Diana's brother, Earl Spencer and her sisters, Lady Sarah McCorquodale and Lady Jane Fellowes, held a service overlooking her burial site on an island in an ornamental lake.

Balmoral, Queen Victoria's "dear paradise" of mountains, forests and salmon streams, has been a vacation retreat for the royal family since 1855 and they visit off and on during the year, particularly in late summer.

But the royal family turned out en

masse, with spouses and children, for the anniversary of Diana's death. Prime Minister Tony Blair and his wife, Cherie, who were at Balmoral for the weekend, joined the royal family Monday at the tiny stone church of Crathie parish, just outside the castle's gates and across the rushing waters of the River Dee.

The Reverend Robert Sloan mentioned Diana by name in prayers and read the 23d Psalm ("The Lord is My Shepherd, I Shall Not Want") and from chapter 40 of Isaiah ("Comfort Ye My People Sayeth Your God").

Mohamed Al Fayed marked the anniversary of his eldest son's death with a

private memorial service at his tomb at the family estate outside London.

At Harrods, the London department store he owns, two eight-foot (2.4-meter) bronze sculptures around portraits of Diana and Mr. al Fayed were unveiled Monday in a window and at a permanent memorial inside. The portraits are set within two interlinked capital "D"s above a fountain whose water symbolizes eternal life.

"I pray my beloved son and his dearest Diana have found peace and comfort in heaven. I am sure they are happy together," Mr. al Fayed said in a statement.

TRAVEL UPDATE

Dutch Museum Shuts

AMSTERDAM (AP) — The Van Gogh Museum, one of Amsterdam's major tourist attractions, closed its doors to the public Monday for nine months as construction workers moved in to renovate the 25-year-old building. Built to accommodate 60,000 visitors a year, the museum attracted more than 1 million last year as interest in the Dutch artist continued to boom.

As well as modernizing the original museum, curators are adding a 37.5 million guilder (\$18.75 million) exhibition wing. The museum will reopen at the end of May.

Northwest Talks Stall

MINNEAPOLIS (APF) — A strike by 6,000 pilots at Northwest Airlines entered its third day Monday with no movement between the two sides in a contract dispute hinging on pay and job security issues.

With no new talks scheduled and no sign of either side wanting to restart the bargaining process, the strike increasingly looks as if it will linger.

The pilots want a 15 percent pay raise over five years, dating from 1996 when their contract ran out, and the company is offering 9 percent over four years.

China Plans Loans For Flood Victims

BEIJING — China announced a rescue package Monday of up to 1 trillion yuan (\$120 billion) in bank loans to help agriculture and industry recover from ruinous floods.

The money — between 900 billion yuan and 1 trillion yuan — would come from commercial banks over the next four months, state television quoted Shang Fulin, deputy governor of the People's Bank of China, the central bank, as saying. Banks could "appropriately lower" interest rates on such loans to within limits set by the central bank, the official Xinhua press agency quoted the central bank as saying.

Loans would be extended to help residents rebuild some homes and repair others damaged by floods, Xinhua said. The money also would be used to help farmers, while industrial and commercial enterprises could use the funds to resume production.

Flooding this year has killed 3,004 people, left millions homeless and caused 166.6 billion yuan (\$20 billion) worth of damage, official figures show.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Europe				Asia			
City	Today	High	Low	City	Today	High	Low
Algeria	20/22	20/22	15/15	Algeria	20/22	20/22	15/15
Amsterdam	17/19	17/19	12/12	Amsterdam	17/19	17/19	12/12
Antwerp	17/19	17/19	12/12	Antwerp	17/19	17/19	12/12
Athens	20/22	20/22	15/15	Athens	20/22	20/22	15/15
Berlin	17/19	17/19	12/12	Berlin	17/19	17/19	12/12
Bombay	27/29	27/29	22/22	Bombay	27/29	27/29	22/22
Buenos Aires	20/22	20/22	15/15	Buenos Aires	20/22	20/22	15/15
Calcutta	27/29	27/29	22/22	Calcutta	27/29	27/29	22/22
Chengdu	20/22	20/22	15/15	Chengdu	20/22	20/22	15/15
Colon	27/29	27/29	22/22	Colon	27/29	27/29	22/22
Copenhagen	17/19	17/19	12/12	Copenhagen	17/19	17/19	12/12
Dallas	20/22	20/22	15/15	Dallas	20/22	20/22	15/15
Dhaka	27/29	27/29	22/22	Dhaka	27/29	27/29	22/22
Dublin	17/19	17/19	12/12	Dublin	17/19	17/19	12/12
Edinburgh	17/19	17/19	12/12	Edinburgh	17/19	17/19	12/12
Hong Kong	27/29	27/29	22/22	Hong Kong	27/29	27/29	22/22
London	17/19	17/19	12/12	London	17/19	17/19	12/12
Los Angeles	20/22	20/22	15/15	Los Angeles	20/22	20/22	15/15
Manila	27/29	27/29	22/22	Manila	27/29	27/29	22/22
Moscow	17/19	17/19	12/12	Moscow	17/19	17/19	12/12
Mumbai	27/29	27/29	22/22	Mumbai	27/29	27/29	22/22
New Delhi	27/29	27/29	22/22	New Delhi	27/29	27/29	22/22
Osaka	20/22	20/22	15/15	Osaka	20/22	20/22	15/15
Paris	17/19	17/19	12/12	Paris	17/19	17/19	12/12
Perth	20/22	20/22	15/15	Perth	20/22	20/22	15/15
Prague	17/19	17/19	12/12	Prague	17/19	17/19	12/12
Rangoon	27/29	27/29	22/22	Rangoon	27/29	27/29	22/22
San Francisco	20/22	20/22	15/15	San Francisco	20/22	20/22	15/15
Seoul	20/22	20/22	15/15	Seoul	20/22	20/22	15/15
Shanghai	20/22	20/22	15/15	Shanghai	20/22	20/22	15/15
Singapore	27/29	27/29	22/22	Singapore	27/29	27/29	22/22
Taipei	20/22	20/22	15/15	Taipei	20/22	20/22	15/15
Tokyo	20/22	20/22	15/15	Tokyo	20/22	20/22	15/15
Yokohama	20/22	20/22	15/15	Yokohama	20/22	20/22	15/15

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GERMANY	DM	2.50	1.50	40%
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HONG KONG	HK	2.50	1.50	40%
ITALY	IT	2.50	1.50	40%
JAPAN	Y	2.50	1.50	40%
MALAYSIA	RM	2.50	1.50	40%
NETHERLANDS	FL	2.50	1.50	40%
NORWAY	NOK	2.50	1.50	40%
SINGAPORE	S	2.50	1.50	40%
SPAIN	P	2.50	1.50	40%
SWEDEN	SEK	2.50	1.50	40%
SWITZERLAND	CHF	2.50	1.50	40%
USA	\$	2.50	1.50	40%

THE AMERICAS

President's Lawyers Ready Defense

By Neil A. Lewis
New York Times Service

WASHINGTON — President Bill Clinton's top legal and political advisers say they have developed a detailed defense against what they anticipate are the four arguments that Kenneth Starr, the independent counsel, might use to mount a case of obstruction of justice against the president.

The mobilization of the president's lawyers and political advisers is part of the preparation for the battle over Mr. Starr's expected report to the House of Representatives about issues stemming from Mr. Clinton's relationship with Monica Lewinsky, a former White House intern.

According to lawyers who say they are familiar with Mr. Starr's plans, the report is expected to be completed by late September, after which the House Judiciary Committee will be obligated to consider whether to undertake impeachment proceedings.

There are four areas of possible obstruction of justice for which the Clinton advisers have developed detailed counterarguments.

The first concerns the "talking points," a memo Ms. Lewinsky gave to Linda Tripp, her onetime friend, seemingly to help her alter in a way favorable to the president an account of her knowledge of an encounter between Mr. Clinton and another woman.

Another issue is the help given to Ms. Lewinsky by friends of the president in finding her a job.

A third concerns any abuse

of power by the president in using the White House's arsenal of lawyers and officials to maintain the deception that there was no improper relationship between Mr. Clinton and Ms. Lewinsky.

The fourth area concerns gifts the president gave to Ms. Lewinsky and whether he conspired with her to conceal them from lawyers for Paula Jones, who sought them in connection with her sexual misconduct lawsuit against Mr. Clinton.

"The fight, in large measure, has shifted from the legal arena to the political," said a senior legal adviser to Mr. Clinton. Nonetheless, the adviser, who spoke on the condition of anonymity, said that the defenses developed would first seek to defeat any anticipated obstruction of justice charges Mr. Starr might make.

"Once the whole obstruction of justice case is stripped away," another senior adviser said, "all Ken Starr is left with is a report about an inappropriate relationship and an understandable effort to conceal it."

The White House team's arguments appear strongest on the talking points. Lawyers familiar with the testimony say Ms. Lewinsky has told the grand jury she wrote the talking points herself with some help from Mrs. Tripp.

Although Mrs. Tripp has denied any role, Mr. Starr has apparently been unable to find any evidence that Mr. Clinton or any of his associates were involved in drafting the document.

The White House contends that helping Ms. Lewinsky find a job had nothing to do with any effort to buy her silence. Essentially, the argument of Mr. Clinton's supporters is one of timing: that Ms. Lewinsky began getting high-level help in finding a good job before anyone knew she was even a potential witness in the Jones case, so the career help could not have been part of an effort to persuade her to lie.

But the evidence about the timing is complicated. Mrs. Jones, a former Arkansas clerical worker, had brought a sexual misconduct suit against Mr. Clinton, contending that when he was governor of Arkansas he had made a sexual advance.

In an effort to bolster their case, Mrs. Jones' lawyers sought other examples in which the president might have engaged in sex with female subordinates, and they sought information about Ms. Lewinsky, among others.

The president's lawyers learned Dec. 5, 1997, that Ms. Lewinsky might be called as a witness in the lawsuit. Pres-

idential advisers contend that there may be documents that show that Vernon Jordan Jr., a close friend of the president, began helping her before then to find a job at a company where he had connections.

White House advisers also say they are increasingly confident that the issue of gifts can be interpreted in Mr. Clinton's favor.

The difficulty Mr. Clinton must overcome is that, according to the lawyers, Ms. Lewinsky has testified that he encouraged her to ignore a request from Mrs. Jones' lawyers to turn over any gifts she had received from him.

Lawyers said Ms. Lewinsky had testified that the president told her that she could avoid turning over the gifts if she no longer had them and that Betty Currie, his secretary, then showed up at Ms. Lewinsky's apartment to retrieve them.

The key to the White House argument is the credibility of Ms. Currie, who has been widely portrayed as a decent and honest witness. According to lawyers, her testimony conflicts sharply with that of Ms. Lewinsky.

Clinton Skips Fun for a Comeback Plan

By Ceci Connolly
Washington Post Service

EDGARTOWN, Massachusetts — It was, by all accounts, a most peculiar sojourn for President Bill Clinton — 13 days, ending Sunday, on scenic Martha's Vineyard with not a swing of the golf club, minimal hobnobbing with the island socialites and admittedly chilly relations with his wife.

But if it was not an altogether fun summer vacation for the president, the self-imposed exile may have produced some political benefits. Alone in a small guest house here, Mr. Clinton sketched in longhand what may be the outlines of a plan to rejuvenate his ailing presidency.

As he described it in an emotional discussion with civil rights leaders Friday, Mr. Clinton is grappling with a way to make amends with his family, his aides, the independent counsel Kenneth Starr and, indeed, the nation.

In 20 minutes, with little more than his scribbled notes to guide him, Mr. Clinton shed some light on how he hoped to regain his personal and political footing.

He will not apologize, but he will share his pain. He will not divulge the details of his extramarital affair with Monica Lewinsky, at the time a White

House intern, but he concedes he is paying the price of "self-inflicted wounds." And he will continue to count on a healthy economy, the prestige of foreign travel and loyal friends such as Senator Edward Kennedy, Democrat of Massachusetts, and black leaders to buoy him.

The effort began in earnest Monday with a visit to Herndon Elementary School in Virginia before he headed off to Russia for a meeting with President Boris Yeltsin, one of the few politicians who appears to be in more immediate jeopardy than Mr. Clinton these days.

In private, the president has been trying to mend relations with lawmakers who may ultimately control his fate if Mr. Starr issues a critical report to Congress, as is widely expected. Some said they were pleased that Mr. Clinton seemed more cognizant of his foibles last week than when he addressed the Lewinsky matter in a televised speech Aug. 17.

In a limousine ride Thursday, Mr. Clinton told Senator John Kerry and Representative Jim McGovern, both Massachusetts Democrats, that the timing of the Aug. 17 address, just hours after he testified before the Lewinsky grand jury, "was probably not the best," Mr. McGovern said

Sunday on an NBC news program. "We both did urge him to say more and to do so when he felt it was appropriate to make any more statements on that issue," said Mr. McGovern, who had been host to the president in Worcester.

But critics view much of the past two weeks as classic Clintonian spin — from the whispered tales about familial hostility to the missile strikes in Afghanistan and Sudan, derided as a real-life version of the movie "Wag the Dog."

The skeptics blanch when Mr. Clinton compares himself to President Nelson Mandela of South Africa, the late Reverend Martin Luther King Jr. and Representative John Lewis, Democrat of Georgia, a man revered for his bravery in the civil rights movement. Mr. Clinton's critics speculate that he is trying to generate sympathy before any more bad news comes out.

Representative Christopher Cox, Republican of California, said Mr. Clinton's semi-apology from the Vineyard sounded like another lie from a man who has already deceived the public.

"The president is putting himself first and the country second," Mr. Cox said on a CBS news program.

POLITICAL NOTES

Maximum-Security Schools?

WASHINGTON — Going to class will be a little like boarding an airliner for many U.S. pupils this year as educators try to prevent another year of bloodshed in America's schools.

The children will walk through metal detectors and past the police or other guards. A stray word about violence could mean trouble if someone overhears and reports it — perhaps anonymously.

"What we're trying to do is parallel what airports are doing with their security so we don't have people even making jokes about violence," said George Freeman, a spokesman for Springfield, Missouri, schools. There, a pupil from kindergarten through high school who even utters a threat will be turned over to juvenile authorities and kept out of school until he or she is evaluated by a counselor.

Elsewhere, children will be wearing photo ID badges and toting book bags made of see-through materials. They are being given hot-line numbers to report, anonymously, signs that a schoolmate could turn violent, and some will face punishment if they do not do so.

These are the harsh realities for many of the \$2.7 million pupils entering U.S. schools after a year in which four mass shootings took the lives of students and teachers in Jonesboro, Arkansas; Paducah, Kentucky; Springfield, Oregon; and Pearl, Mississippi. (AP)

A State Quits Tobacco Talks

BOSTON — Accusing the tobacco industry of stalling, Massachusetts has pulled out of negotiations between nine states and cigarette makers trying to reach an out-of-court national tobacco settlement.

The Massachusetts attorney general, Scott Harshbarger, said he would focus on a lawsuit in state court. The state is seeking billions of dollars to reimburse Medicare expenditures on smoking-related diseases.

"Unless 'Big Tobacco' shows me they are willing to take more responsibility for protecting our children and improving public health, I am not interested in returning to negotiations with them," Mr. Harshbarger said Sunday.

Mr. Harshbarger accused cigarette makers of backpedaling on earlier commitments to fund efforts to curb teenage smoking and reduce advertising and promotions. He also was upset that the industry is refusing to drop its opposition to being regulated by the Food and Drug Administration.

The nine-state talks followed a collapse in the proposed national tobacco agreement last year that would have paid \$368.5 billion over 25 years. The plan fell apart when Congress failed to vote on it. (AP)

Away From Politics

• An airplane with 97 people on board was quarantined at LaGuardia Airport in New York for two hours after a passenger who had been on the plane on an earlier flight claimed he had the deadly Ebola virus. He was found by officials in Montreal, where he had gotten off, not to be infected. (AP)

• A teenager fleeing from the police in Kenner, Louisiana, crashed his stolen car into a car filled with children, killing four people and critically injuring four others, all within sight of the small brick church where the family was going to worship. (AP)



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ASIA/PACIFIC

Moribund Malaysian Economy Gets Boosterism, Not Austerity

By Seth Mydans
New York Times Service

BANGKOK — Driving what he said was the only Asian car to be parachuted onto the North Pole, Prime Minister Mahathir bin Mohamad of Malaysia led what he called the world's longest motorcade this weekend, a convoy of 1,988 Malaysian-made cars.

It was cheaper than building the world's tallest building, highest airport control tower or loftiest flagpole — all of which Mr. Mahathir accomplished when Malaysia was flush with cash during Asia's miracle years.

But the message was the same. As one group of spectators shouted as the 10-kilometer-long (6-mile-long) motorcade drove through the rain Sunday: "Malaysia can!"

Boosterism is getting tougher these days as economic troubles deepen into recession and embolden the political op-

position to Mr. Mahathir's leadership. But the 72-year-old prime minister is fighting back. In what has been by Malaysian standards a lurid backroom brawl, he has sidelined his increasingly assertive deputy prime minister, Anwar Ibrahim, and seized control of economic policy, turning it on its head in a gamble on the country's future.

Turning away from the tight fiscal policies Mr. Anwar had been pursuing in his role as finance minister, Mr. Mahathir this month reasserted the expansionist approach he has always favored, lowering interest rates and raising government spending.

Mr. Anwar, 51, who represents a younger political generation in Malaysia, has been Mr. Mahathir's heir apparent for the past six years, promising a very different, more liberal future for the country. The odd but successful coupling of their different styles and philosophies has been strained over the

past year as the economy soured and as Mr. Mahathir rattled foreign investors with his attacks on currency speculators, neo-colonialists and Jews who he said were trying to ruin Malaysia.

Mr. Anwar was left to placate critics and at times to correct Mr. Mahathir's statements, and his profile and popularity rose — dangerously, as it turned out.

Two months ago, at the annual general assembly of the governing party, the United Malays National Organization, known as UMNO, Mr. Anwar's supporters tested their strength, mounting a tentative challenge to Mr. Mahathir's leadership. One speech raised accusations of corruption and nepotism — code words drawn from the opposition in Indonesia that successfully toppled President Suharto in May.

The backlash was swift. Three editors seen to be aligned with Mr. Anwar were forced from their jobs. The governor of the central bank and his deputy — also

seen as close to Mr. Anwar — stepped down in protest against the changes in economic policy. And Mr. Anwar's clout was undermined by the appointment of his predecessor as finance minister, Daim Zainuddin, as a special economic adviser to the prime minister.

Mr. Anwar got the message and has retreated from the limelight, ostensibly supporting Mr. Mahathir with statements like, "Compared with the prime minister I am just a student; I cannot fight my teacher."

Mr. Anwar is still alive politically, but he is severely wounded, political analysts say.

"This latest episode has forced open the whole succession question," said Razak Baginda, executive director of the Malaysian Strategic Research Center. "A year ago I would have told you, no question that it is going to be Anwar. Now I think almost everybody has doubts that he'll make it to be number one."

But as in Indonesia and other nations suffering through Asia's economic crisis, political maneuvering, even by a master, is no longer enough. Economic hardships, often subject to forces beyond national borders, can force political change, as they have already done in Thailand, South Korea, Japan and Indonesia.

On Thursday, Malaysia announced that it had fallen into its first recession in 13 years, with its economy shrinking by close to 7 percent after a decade of growth at an annual rate of more than 8 percent.

The construction sector — a key barometer of economic health — was down by 22 percent in the second quarter of the year, compared with 12 percent growth in the like period last year, the central bank announced. Nationwide unemployment rose to 6.7 percent in a country that recently imported workers to fill its needs.

Over the past year, the currency has lost 40 percent of its value against the dollar and the stock market has lost 75 percent of its total worth. More than 2,600 people are losing their jobs every week, according to the Human Resources Ministry.

Last month, with Mr. Daim now crafting an economic policy closer to Mr. Mahathir's heart, the government launched a stimulus package called the National Economic Recovery Plan. It aims to hold down unemployment and keep businesses alive by lowering interest rates, pouring money into construction projects and financing lending.

The plan goes against economic orthodoxy and the prescriptions fostered in the region by international lenders. Mr. Daim described it as "a package of programs to restructure the financial and corporate sectors without abandoning our social agenda."

But he also broke with the government's insistence on rosy pronouncements, conceding, "We are facing reality now and saying the good old days will not return."

The period of denial in Malaysia is over, said an artist who insisted that his name not be printed for fear of political repercussions. "Nerves are raw now," the artist said, adding that he was speaking for his friends in Malaysia's middle class. "We know things are going to be very hard, going to be terrible. So people are watching really carefully. There's no way anymore to go about hoodwinking the public."

But that doesn't mean you can't have a big party, maybe even the biggest in the world.

For National Day celebration Monday, Malaysian officials were preparing what they call the world's biggest beach party, along with the world's biggest outdoor buffet, honored with the world's biggest pop-up greeting card.

BRIEFLY

Taleban Accuses Iran of Threats

KABUL — The Taleban movement on Monday accused neighboring Iran of threatening behavior for conducting military maneuvers on its border and warned Tehran against any escalation of tensions.

Despite the "failure" of the "flagrant and shameless interference" in Afghanistan by Iran, it intends to threaten Afghans by carrying out military exercises along the Afghan border under the excuse of its missing spies, a Foreign Ministry statement said.

The statement was issued as Iran prepared to hold exercises involving 70,000 troops on its northeastern border with Afghanistan.

Iran accuses Afghanistan of holding 10 diplomats and a reporter, who were captured when the Taleban militia took the city of Mazar-i-Sharif in northern Afghanistan early in August. (Reuters)

Indian Train Hits Van, Killing 27

JAIPUR, India — A passenger train rammed into a van at an unmanned railroad crossing in the western Indian state of Rajasthan on Monday, killing 27 people and injuring 22, officials said.

"The train crashed into the van at an unmanned crossing; 19 people died on the spot while eight died in the hospital," a police spokesman in the state capital, Jaipur, said.

The accident occurred in Udaipur district, 350 kilometers (220 miles) south of Jaipur. (Reuters)

Tsunami Attributed To Undersea Slide

LOS ANGELES — A scientific team that visited the site of the July 17 tsunami on the Papua New Guinea coast has theorized that the deadly waves were probably the result of an undersea landslide caused by an earthquake centered inland.

This is a different scenario from the one reported in some initial dispatches, which said the tsunami was set off by a magnitude 7.0 earthquake centered 20 kilometers out to sea.

The team was headed by Professor Costas Synolakis of the University of Southern California. (LAT)

Sumatrans Stone Troops As They Leave

Compiled by Our Staff From Dispatches

JAKARTA — An angry crowd pelted Indonesian soldiers with stones and set buildings on fire Monday in Aceh Province as the army completed its promised withdrawal of combat troops from the troubled region of Sumatra, witnesses reported.

They said soldiers preparing to depart from the industrial center of Lhokseumawe, on the northern tip of the island, fired into the air as thousands of people watching the ceremony hurled stones and shouted abuse.

"Rapists!" "Dogs!" and "Pigs!" the crowd yelled.

When the troops left in a convoy of trucks, the mob attacked buildings and cars, setting some on fire.

Although the attacks initially targeted properties and businesses of ethnic Chinese, the stoning later spread to other businesses.

A prison was attacked and dozens of inmates escaped, witnesses said.

Witnesses said security was absent for most of the day until 100 soldiers and police officers appeared as the crowds were setting fire to buildings. They did not intervene.

"The troubles are still going on and police units are already deployed in town," First Sergeant Achmad Razali



Students, demanding that a pulp plant in Sumatra be shut down, rallying Monday in front of the company's Jakarta headquarters. Indonesians have long protested the plant's effect on the environment.

said as dusk fell.

Inhabitants of the staunchly Muslim province charge that the army was responsible for abductions, torture, rape and the dumping of hundreds of victims in mass graves during a nine-year crackdown against a separatist insurgency.

The armed forces chief, General Wiranto, flew to Aceh early in August to offer an apology for army abuses during the crackdown.

He announced an end to military operations and said all combat troops would be out within a month.

A Defense Ministry spokesman said the withdrawal of 658 troops Monday, including 28 members of the feared

Kopassus elite forces, meant all combat troops had been removed from Aceh. In the first stage of the withdrawal, 250 soldiers exited Aug. 20, to jeers.

Indonesia has removed troops in recent months from Irian Jaya and East Timor, where it also faced separatist insurgencies. (Reuters, AFP)

Riots on Lombok Island

Hundreds of people rioted Monday on the eastern Indonesian island of Lombok, leaving at least 13 injured, when the authorities ignored public protests and installed a government-backed governor, Agence France-Presse reported.

Election Protest By Cambodians Again Rejected

Reuters

PHNOM PENH — The political crisis in Cambodia deepened Monday as the country's top legal body rejected all opposition complaints over the election in July, which was officially won by Hun Sen's governing party.

Opposition leaders said their protest campaign against the vote result, now in its second week, would intensify. Mr. Hun Sen said force would not be used to end the demonstration.

The Constitutional Council said it had conducted a thorough investigation of opposition complaints and had decided to uphold a decision by the National Election Committee to reject the grievances because of a lack of evidence.

The opposition, led by the deposed co-prime minister, Prince Norodom Ranariddh, and his ally, Sam Rainsy, a former finance minister, alleges that Mr. Hun Sen's Cambodian People's Party won the July 26 vote because of widespread fraud and intimidation.

International observers said the vote was sufficiently fair, but the opposition was demanding recounts in numerous constituencies and fresh votes in others.

Prince Norodom Ranariddh was not immediately available for comment, but an official from his Funcinpec party said that a sit-down protest outside Parliament would intensify.

Reject Racism, Ex-Leaders Urge Australians

Reuters

SYDNEY — Four former prime ministers issued an open letter Monday calling on Australians to reject politicians who campaign on racism in the national election scheduled for October.

The former leader of the Liberal Party of Australia, Malcolm Fraser, and three former leaders of the Australian Labor Party, Gough Whitlam, Bob Hawke and Paul Keating, warned, "Racism is an unmitigated evil, it is immoral, it does Australia significant harm through Asia and in the wider world."

"It destroys our self-esteem and self-respect," they said. "In Australia it would pit Australian against Australian. It would be destructive of our society."

"At this election everyone has the opportunity to demonstrate that there is no room for racist politics in Australia," they continued. "We therefore urge you

to put any candidate supporting any element of racism last in the election."

Prime Minister John Howard on Sunday called an early election for Oct. 3, declaring economic management would be the key issue in his re-election strategy.

But Aboriginal and ethnic leaders and political commentators said the issue of race would be a major undercurrent because of the rise of Pauline Hanson, head of the anti-immigrant One Nation Party.

Analysts say Ms. Hanson's party could win enough votes in the Senate to control the balance of power there, largely by attracting disillusioned conservative voters from Mr. Howard's Liberal-National coalition government.

Under Australia's electoral system, voters rank candidates in order of preference. The Australian Democratic Party,

which in the past has held the balance of power in the Senate, is now vying directly with One Nation for the role of the third force in Australian politics.

The Democrats began their campaign Monday under the slogan "Vote Democrat to stop One Nation dividing Australia," and incorporating the confronting image of a torn Australian flag.

"One Nation uses an image of Pauline Hanson wrapped in the flag," said Meg Lees, leader of the left-leaning Australian Democrats Party. "I think the future of Australia if One Nation gets its hands on power is more accurately represented by the torn flag."

Ms. Hanson contends that Aborigines receive privileged treatment by the government at the expense of other Australians and that Asian immigrants are taking away jobs. Those assertions are dismissed as untrue by most other politicians.

MISSILE: North Korea Test-Fires Rocket Into Waters Off Japan

Continued from Page 1

and Libya, has counted on its missile program to bring billions of dollars into its economy.

The North is not believed to have marketed the two-stage, liquid-fueled Taepo-Dong-1 abroad but is reportedly working on the Taepo-Dong-2, with twice the range.

Initially, however, the South Korean government sought to minimize the implications, interpreting the firing as a politically inspired device to build up Kim Jong Il, North Korea's leader, as he prepares to accept the title of president on Sept. 9.

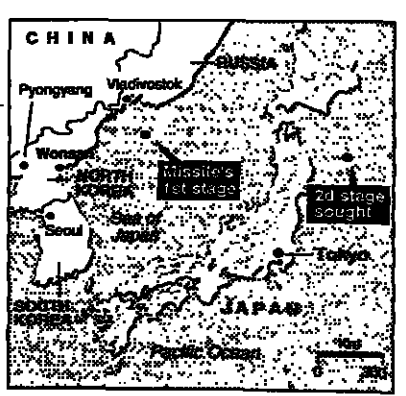
"One possible interpretation is they are preparing for the official inauguration of Kim and fired the missile as a symbol of their achievement," said a senior aide to President Kim Dae Jung, who has repeatedly called for talks with the North and most recently suggested exchanging envoys.

The North fired the missile as delegates to the Supreme People's Assembly were gathering in the North Korean capital of Pyongyang for its first session in eight years. The 700-member assembly opens Saturday, largely for the purpose of electing Kim Jong Il as president.

South Korean officials also believed the firing was intended to strengthen North Korea's position in talks between U.S. and North Korean diplomats in New York.

Charles Kartman, leader of the U.S. negotiating team, was expected before the missile-firing to ask the North on Monday to permit U.S. inspectors to look at an underground facility that American officials say was designed for nuclear warheads in violation of an agreement reached at Geneva in 1994.

U.S. officials said satellite photographs showed thousands of workers building the facility.



Under terms of the agreement, North Korea promised to give up its nuclear program, while the United States agreed to provide 500,000 tons of heavy fuel oil during construction of a nuclear power plant.

Observers noted that the North has been angered by delays in shipment of the fuel oil amid debates in the United States, Japan and South Korea about whether to go on financing the nuclear power plant.

"Firing the missile is a negotiation card for talks with the United States," said Huh Moon Young, leader of the national policy team at the Korea Institute for National Unification. "That means they can develop their capability to strike Japan, and some day they can strike the United States."

Mr. Huh said the North had designed the missile, which has twice the range of the Rodong, in the 1980s but had never test-fired it.

He said the missile was named by American intelligence analysts, who learned from satellite photographs that it was under construction near a town named Taepo-Dong.

By coincidence, the Korean Peninsula Energy Development Organiza-

tion, known as KEDO, the agency responsible for carrying out the power plant project, issued a draft resolution Monday reaffirming the commitment of all the governments. South Korea was to provide 70 percent of the cost of the project.

Shortly after the news of the missile-firing was confirmed, however, both South Korea and Japan said they were reconsidering their roles in the project. Outraged Japanese officials said they had "suspended signing" the resolution.

South Korea warned that the resolution was in danger but was anxious to await an explanation or at least a commentary from the North. The South has adopted a policy of forbearance in hopes of reconciliation despite the North's apparent rejection of President Kim's overtures.

The missile-firing was likely to have as much impact on Japan as on South Korea. Japan recently restarted talks with North Korea on normalizing relations with North Korea, whose missile capability is viewed as an immediate threat to Japanese security.

Prime Minister Keizo Obuchi of Japan said he was considering "measures" but did not elaborate. He indicated North Korea may have warned of plans to test-fire a missile, saying he had "heard about it" beforehand. Japanese newspapers reported two weeks ago that North Korea was planning to test-fire a missile before Kim Jong Il's election as president.

The U.S. secretary of state, Madeleine Albright, expressed concern about the test-firing and said American officials would be raising the matter with the North Koreans.

"We are concerned about it, as are the Japanese and the Russians, and this is something that we will be raising with the North Koreans" at the talks in New York, she said.

Albright Visiting Saraj

The American Secretary of State, Madeleine Albright, is visiting Sarajevo, Bosnia, to see the impact of the war on the city.

There will be a meeting with the Bosnian leaders.

Ms. Albright is expected to visit the city for a few days.

She will be accompanied by a large security detail.

Rogue Bo

OSLO — A rogue Russian aircraft was shot down by Norwegian fighters on the lookout for the Russian bomber in the Barents Sea just north of the Arctic Circle.

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In Kosov

Ethnic Albanians

By Mike O'Connell

PRISTINA, Serbia —

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"We could have lived there sand years more, there was between Albanian and Serb and Haim Derwish, an ethnic Albanian. They live well for their folk. We have Despite the fondness with

Turkish Cy Suggests L Tie With G

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Rauf Denkash, called on Monday to accept a house co states on Cyprus, in a fresh the division of the Mediter

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EUROPE

Albright Firm on Dayton Pact

Visiting Sarajevo, She Rules Out Any Revision Over Bosnia

The Associated Press
SARAJEVO, Bosnia-Herzegovina — Madeleine Albright, the U.S. secretary of state, has strongly rebuffed lingering Serb and Croat sentiment to partition Bosnia.

"There will be no revision of the Dayton Accords," she said Monday.

Mrs. Albright added after talks with Muslim and Croat leaders that a just peace in Bosnia-Herzegovina required that the capital be an open city, hospitable to all ethnic groups.

Overall, she and her advisers said they were pleased with what they had seen in a two-day trip to Croatia and Bosnia: Refugees are returning in the aftermath of a bloody conflict that ended nearly three years ago

and, with U.S. and other assistance, homes and industries are being rebuilt.

Volkswagen, the German car manufacturer, formally resumed production Monday in Sarajevo, and Foreign Minister Klaus Kinkel was visiting to mark the occasion.

Mrs. Albright, at a news conference, said the city "looks more normal" since her visit in May 1997.

"It has achieved peace," she said. "Now it is important that the people get what they had before the war — security and the right to travel."

Appearing with her were Alija Izetbegovic and Kresimir Zubak, the Muslim and Croat presidents in a three-way power-sharing arrange-

ment. The Serb leader, Momcilo Krajisnik, was pointedly shunned.

■ Visit a Strong Symbol

Steven Erlanger of The New York Times reported earlier:

Mrs. Albright slept Sunday night in Sarajevo's refurbished Holiday Inn, its shell-cratered walls now repaired, beside what was once Sniper's Alley.

Her overnight stay was meant to be a dramatic symbol, U.S. officials said, of the distance Bosnia has come since Washington finally intervened to end the vicious civil war in 1995.

But most of Mrs. Albright's long day in Croatia and Bosnia was devoted to pressing divided communities — Serb, Croat and Muslim — to make the still-artificial Bosnia closer to the multiethnic democracy envisioned in the Dayton Accords, but far from reality on the ground.

With most of the world's attention now on the civil war in nearby Kosovo, U.S. officials are deeply concerned about Bosnia's next big test — full-scale elections in two weeks.

On Sept. 12 and 13, the various communities of Bosnia will vote for the three joint presidents of the entire country, as well as the presidents and Parliaments of its two constituent parts, the Bosnian Serb Republic and the federation between the Croats and Muslims.

The number of American troops patrolling Bosnia has gone up from 6,900 to 8,500 with rotations carefully staggered for this election season. Pentagon officials said, to tamp down any new violence.

Most important to American officials, however, will be the contests among the Bosnian Serbs.

Washington wants these elections



Madeleine Albright, the U.S. secretary of state, with Alija Izetbegovic, a Bosnian leader, as she discussed her talks Monday in Sarajevo.

to confirm the decline in support for hard-line Serbs who still support an indicted war criminal, Radovan Karadzic, and ratify the pro-Dayton line of the woman who broke with Mr. Karadzic after he anointed her as his candidate for the Bosnian Serb presidency, Biljana Plavsic.

Mrs. Plavsic is a committed Serb nationalist, but in the last 18 months she has worked to get the benefits of compliance with the Dayton pact that ended the war. This has meant \$100 million in U.S. aid this year alone.

Asked about the situation in Kosovo, where President Slobodan Milosevic of Yugoslavia is trying through harsh measures to regress an independence movement, Mrs. Albright renewed a warning of possible retaliatory air strikes by NATO.

She was meeting the NATO com-

mander, General Wesley Clark, on Monday in Sarajevo to discuss the alliance's plans. She clearly intended to tell Mr. Milosevic that the West was serious about demanding a halt to the burning of villages and creation of refugees, especially with winter coming on.

"The tragedy of watching the people expelled from their homes and the various killings are not something the United States and its European allies can tolerate much longer," Mrs. Albright said.

In fact NATO is divided about using force over Kosovo and opposes independence for the Serbian province, as its majority ethnic Albanians prefer. Some member countries say they want a UN Security Council resolution authorizing force before NATO uses it. And so far Western threats of force have proven to be hollow.

BRIEFLY

Turkish Police Halt 'Peace Bus' And Detain More Than 120

ISTANBUL — Turkish police detained more than 120 people Monday, including leading civil rights campaigners, as they were about to start a rally calling for a peaceful solution to the Kurdish conflict in southeast Turkey.

The protesters were to have traveled by bus from Istanbul to the southeastern city of Diyarbakir, arriving Tuesday for a World Peace Day demonstration. Along the route, their "peace bus" was to have stopped off in several cities, including Ankara, the capital, for meetings with rights groups.

Riot police surrounded the protesters and those who had come to see them off in central Istanbul and dragged them into waiting police buses.

Senior members of the Human Rights Association and the Istanbul head of the Kurdish People's Democracy Party were among the 127 people detained, according to the Anatolian news agency. (Reuters)

Basques Open Vote Campaign

MADRID — The president of Spain's Basque region, Jose Antonio Ardanza, dissolved the regional legislature Monday in preparation for elections set for Oct. 25.

The campaign was all but certain to focus on conflicting visions of how to bring peace to the Basque region after 30 years of bombings and assassinations by the guerrilla group ETA (Basque Homeland and Liberty). Mr. Ardanza's Basque Nationalist Party has held talks with radical separatists on starting a peace process modeled on that in Northern Ireland. (Reuters)

No Surveillance of Scientology

BERN — Switzerland said Monday that it saw no need to place the Church of Scientology under nationwide surveillance by intelligence agents, as Germany has done. Scientology shows totalitarian traits, but there is no basis for surveillance, a government commission said. But it said the situation would be reviewed later.

In June 1997, Germany placed Scientology under scrutiny, citing alleged undemocratic aims. In contrast, extreme and totalitarian views can only be monitored in Switzerland if they involve crimes against the state or violence. (AP)

Rogue Balloon Visits Russia

Reuters
OSLO — A rogue weather balloon from Canada drifted into Russian airspace Monday but was losing height and may have crashed in the Barents Sea after Canadian fighter aircraft punctured it, Norwegian officials said.

"We have warned Russia to be on the lookout for the balloon," Oystein Kroghseter at the Bodoe air traffic control center in northern Norway said.

The balloon, as tall as a 25-story building and regarded as a hazard to air traffic, entered Russian airspace about 7 A.M. over the Barents Sea just north of the Arctic island of Spitzbergen.

"We think it was losing height and one possibility is that it will land in the Barents Sea," he said.

"The balloon entered Norwegian airspace at around 10 P.M. last night, passing south of Bear Island, and moved into Russian airspace at seven o'clock this morning," said Stein Erik Finneviden, supervisor at the Bodoe air traffic control center.

The unmanned balloon has traveled cross the North Atlantic over Iceland and Norway. It went out of control after being launched Aug. 24 in the western Canadian province of Saskatchewan to measure ozone levels.

Commercial air traffic over the North Atlantic had to be rerouted to avoid the helium-filled balloon, which defied some attempts by jet fighters from Canada, Britain and the United States to shoot it down.

In Kosovo, More 'Cleansing'

Ethnic Albanians Rid a Mountain Village of Serbs

By Mike O'Connor
New York Times Service

PRISTINA, Serbia — The six front windows of Rade Smigic's hillside home in the village of Leucina open out on a bucolic panorama that starts with pear trees in the yard and then broadens to a valley with the family's fields and the homes of the ethnic Albanians with whom they had shared a simple rural life for as long as anyone can remember.

No one knows who settled in the village in northern Kosovo's mountains first: the large Smigic family, ethnic Serbs with eight houses, or the ethnic Albanians who have about 90 households. People throw up their hands at the question and say it was centuries ago.

"We could have lived together for a thousand years more, there were no problems between Albanians and Serbs in our village," said Halim Dervishi, an elder of the local ethnic Albanians. "They took water from my well for their fields. We had the same life."

Despite the fondness with which the Smigic

family is remembered, its homes have been torched. What is left of Rade Smigic's home is the framing around the front windows, piles of ashes and the family photographs that someone has meticulously torn into pieces.

The only explanation from ethnic Albanian villagers is that the people who did it came from somewhere else.

After a wave of kidnappings and terror, which foreign diplomats and human rights workers say is part of the strategy of ethnic Albanian rebels, the Smigics and nearly every ethnic Serbian family that lived in areas controlled by the rebels have fled or disappeared. More than 80 Serb civilians are missing, and rights workers believe they have been killed.

Now, Serbs in urban areas speak of a spreading terror that is driving many of the relatively tiny number of Serbs in the province of Kosovo to leave. Government officials, facing an exodus that undermines their right to rule a province where Serbs are an ever-smaller minority, acknowledge that they cannot stop the kidnappings and are suppressing information about how many Serbs are fleeing to avoid panic.

"The number of people who slip away daily is, who knows — dozens, more?" said an official, who asked not to be identified for fear of government retribution. "We are not tracking them because we don't want to have figures that are dangerous to have. But I believe that by now the official estimate that Serbs make up 10 percent of Kosovo is probably wrong by about half."

She added that she had sent her children to live with relatives in another part of Yugoslavia — now consisting of Serbia and Montenegro — to be sure that they would not be kidnapped.

The police in Pristina say they have no clues to the whereabouts of the missing.

By official estimates, there are about 200,000 Serbs living in Kosovo. Serbs, many of them brought in from outside Kosovo, control the government and security forces. Most ethnic Albanians, who make up almost all the rest of the population, want to form an independent nation.

Dotted around the territory dominated by ethnic Albanian rebels are dozens of villages and small towns where a few Serbs lived until the kidnappings started in April, weeks after a police crackdown on rebel forces swelled ethnic Albanians' support for armed revolt. According to witnesses, uniformed rebels began abducting Serbs on rural roads or from isolated farms.

That caused such alarm that most Serbs in rebel areas left, human rights workers say. Some elderly Serbs stayed because they thought that they would be safe. But gradually, even the elderly have been abducted or fled, according to the rights workers, who asked to remain anonymous out of fear of becoming targets for abduction themselves.

A rebel attack on the city of Orshovac in mid-July was accompanied by the abduction of more than 50 people, although 36 were subsequently released to the Red Cross. Two employees of a Serbian radio station are thought to have been kidnapped when they strayed into rebel territory two weeks ago.

In Leucina, all but the four eldest members of the Smigic family had fled by June. Dostana Smigic went back to persuade them to leave, but was abducted near the village and is still missing. Then men in rebel uniforms came for the four old people, according to Kristina Smigic, 70, who said she ran away just as the men arrived. Her three other relatives have disappeared.

Kristina Smigic and most of the rest of the family have now moved to Kragujevac, about 320 kilometers (200 miles) away in central Yugoslavia, where Rade Smigic, 38, blames the rebels, not the ethnic Albanians he grew up with.

"I love my village, and I like my Albanian neighbors," he said. "When they worked their fields, they would call us to help them, and when we worked our fields, they would help us. I wonder why the armed Albanians, the terrorists, wanted to stop that relationship."

Turkish Cypriot Suggests Loose Tie With Greeks

Reuters
NICOSIA — The Turkish Cypriot leader, Rauf Denktaş, called on Greek Cypriots on Monday to accept a loose confederation of two states on Cyprus, in a fresh bid to overcome the division of the Mediterranean island.

"We have come to a stage where we have to take a new step in the direction of a permanent settlement between two equal sides," he said at a news conference in Nicosia. "Our proposal is a confederation."

Greece rejected the proposal, saying that it would only entrench the island's occupation and division.

The proposal "essentially asks to make the division and occupation in Cyprus official," said a government spokesman, Dimitris Reppas. Mr. Reppas said the proposal went against UN resolutions on Cyprus, which have formed the basis of all international efforts to end its division.

The two rival communities on the island have held years of failed talks on creating a federation to reunite Cyprus, divided since Turkey invaded in 1974 in response to a Greek Cypriot coup backed by Athens.

But Mr. Denktaş said a looser confederation, with Turkey and Greece acting as security guarantors, would be a more realistic target after years of bitterness.

Mr. Denktaş, a veteran negotiator who has sparred inconclusively with the Greek Cypriot president, Glavkos Klerides, for decades, described the latest proposal as "a final effort to achieve a mutually acceptable lasting solution in Cyprus."

Most governments regard the Greek Cypriot administration led by Mr. Klerides as the only government on Cyprus. Mr. Denktaş's self-declared Turkish Cypriot state is recognized only by Turkey. The two are divided by a buffer zone patrolled by UN forces.

Mr. Denktaş said he was awaiting a response to his proposal from the Greek Cypriot side of Nicosia.

"I call on Klerides for the sake of our island and for peace and security in the region, to examine this proposal well and not to waste this historic opportunity," Mr. Denktaş said. Tension on Cyprus has risen since the Cypriot government ordered Russian anti-aircraft missiles to be delivered. Turkey has threatened to use force to prevent their deployment.

The Cypriot government has also angered the European Union by a loss of influence because Turkey, who fear a loss of influence because Turkey is not a member of the EU, while Greece is. The bloc has put Turkey's membership bid on indefinite hold.

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INTERNATIONAL

Kabila Claims a Victory Over Rebels

He Declares Rebellion in West Over, but Uprising in East Goes On

KINSHASA, Congo — President Laurent Kabila proclaimed victory Monday against Rwandan-backed rebels on the western front and said that the focus of the monthlong war had shifted east.

Mr. Kabila, in remarks conveyed by his political chief of staff, Abdoulaye Yerodia, said that the eastern town of Kalemie on Lake Tanganyika was encircled by loyalist forces who were preparing to attack.

In the capital, Kinshasa, life started returning to normal. Soldiers lifted road blocks and checkpoints in the city center, after five days of skirmishing and of flushing out rebel infiltrators across the city.

Mr. Yerodia, describing Mr. Kabila's remarks as "Victory Communiqué No. 1," said that momentum was now with Mr. Kabila and his allies — Zaire, Angola, and Namibia.

"After the defeat of the aggressors on our western front, they face an imminent rout on the eastern front," he said.

"Our armed forces have dealt a decisive blow in Kinshasa," he said, adding that the local population had rallied to Mr. Kabila to hunt down infiltrators and wage a people's war.

Mr. Kabila's whereabouts were not immediately clear.

The Angolan, Namibian and Zimbabwian intervention helped hold the line at Kinshasa and rout the rebels from much of Lower Congo Province. Sunday, in the recaptured Lower Congo port of Matadi, near the mouth of the Congo River, General de Matos met with Joseph Kabila, son of the president and a military commander, to celebrate their victory.

General de Matos said Angola was involved in the conflict to protect a "legitimate" leader, as well as to protect its own security interests. General de Matos would not say publicly that Angola's intervention was a response to the widely presumed involvement of the Angolan rebel movement, UNITA, or the National Union for the Total Independence of Angola, in the Congo war.

The fighting that broke out in Congo's southwest early this month was near the Angolan border, leading many observers to expect Angolan intervention. Indeed, General de Matos's troops were key to retaking Matadi as well as the nearby Inga hydroelectric dam.

With the port and the dam under their control, rebels virtually had strangled

Kinshasa's supply lines of imported food, gasoline and electricity, plunging some parts of the city into a desperate scramble for survival. Kinshasa has been in near-total blackout every night for more than two weeks, and the energy minister, Christian Eleko Botma, said that technical problems were hindering a restoration of power.

The rebels, who are based in Goma in the east, vow to continue fighting despite their western losses and say their retreat from Matadi was tactical.

The eastern territory they control, including the northeastern river city of Kisangani, Congo's third-largest, amounts to about a third of the country.

The stakes for Congo include the prospect of territorial partition and a continuation of the chaos that beset Congo during the 32 years it was ruled by the dictator Mobutu Sese Seko, whom Mr. Kabila overthrew last year.

That campaign, like the current one, was headed by Rwanda's Tutsi-dominated government and its Congolese Tutsi allies, who sought to protect themselves from the Hutu extremists who fought them from within Congolese territory.



As quiet returned to Kinshasa, traders in Brazzaville, capital of the Congo Republic, loaded rice on a ferry Monday for the trip across the river.

BRIEFLY

Sudanese Warned On Nile Flooding

KHARTOUM — Flooding of the Nile has reached a "dangerous level," the Sudanese undersecretary of irrigation, Ahmed Mohammed Adam, has warned, and dozens of villages have been imperiled.

The official called on inhabitants living along the Northern and Nile rivers north of Khartoum to take emergency precautions, including sandbags, the press reported.

Mr. Adam said the Nile had already risen higher than its level of 1988, the year Sudan saw the most disastrous flooding in 50 years, and was continuing to rise. (AFP)

Algiers Bomb Kills 17 in Open Market

ALGIERS — A powerful bomb exploded near a popular marketplace in Algiers on Monday, killing at least 17 people and injuring 60 others, authorities said.

The explosion occurred in a neighborhood considered a stronghold of Muslim fundamentalists.

Earlier Monday, the government said it would open offices nationwide to investigate the disappearance of Algerians during the country's six-year insurgency. (AP)

Panamanians Bar Consecutive Term

LIDICE, Panama — Voters have overwhelmingly rejected an attempt to allow Panamanian presidents to seek re-election, in a stunning defeat for the incumbent, Ernesto Perez Balladare.

With 82 percent of the ballots counted, 62.5 percent of the voters were against lifting the constitutional prohibition on consecutive terms for presidents.

The vote was seen as a rejection of the free-market reforms of Mr. Perez Balladare and his governing Revolutionary Democratic Party.

"I am satisfied to hear the voice of the people, and we have heard it clearly," the president said. "This has been a consolidation of democracy."

"This is a triumph for the Panamanian people," said Mireya Moscoso, an opponent. (LAT)

Bowing to Pressure, Arafat Allows Executions

By Serge Schmemmann
New York Times Service

GAZA CITY — A firing squad has carried out the first executions under Palestinian self-rule, shooting two brothers convicted of killing two brothers from another family.

Although the killings were essentially a fight between two families, the accused men were members of security organizations and had apparently used their official weapons in the shootings.

That roused a storm of protest throughout the Gaza Strip among Palestinians fed up with the members of security forces who strut around with pistols and Kalashnikov assault rifles, often firing in the air or using the weapons to threaten civilians.

Both victims were popular leaders in the Fatah movement of Yasser Arafat, the Palestinian leader, and members of a huge family, the Khalidis, further fanning the anger. Portraits of the victims, memorializing them as "faithful martyrs," were posted on walls.

Protests over the weekend had paralyzed Deir-al-Balah in central Gaza, home of the Khalidi brothers. Fatah called for a strike Monday throughout

Gaza if the killers were not executed.

Mr. Arafat, head of the Palestinian Authority, was faced with the prospect of a serious rebellion in his own movement, a rebellion against his security services and a potentially violent feud. He ordered a swift military trial and approved the executions Sunday of Raed and Mohammed Abu-Sultan. A third brother, Faris, was also sentenced to death. His sentence was commuted to life in prison, apparently to maintain the balance of two executions for two victims.

Two Palestinian human-rights groups, B'Tselem and the Palestinian Human Rights Monitoring Group, issued news releases that condemned the executions and called for the abolition of capital punishment by the Palestinian Authority.

Nabil Abu Zaid, a Fatah official from Deir-al-Balah who witnessed the trial and executions, said 120 people gathered in the police headquarters here to see the executions. They included authority officials, elected members of the Palestinian Legislative Council, Fatah officials and relatives of the slain brothers.

The condemned men were taken out

shackled, handcuffed and blindfolded and were granted their last wish for a drink of water before reciting final Muslim prayers, Mr. Abu Zaid said. Ten masked uniformed police officers lined up, five for each condemned man, and shot them at 2:45 P.M. Witnesses shouted, "God is great!" and, "Long live justice!"

Hours later in the Fatah headquarters in Deir-al-Balah, Mr. Abu Zaid sat surrounded by friends and colleagues, all in a state of excitement and shock over the chain of events.

"The Palestinian people are in general fed up with all these people carrying guns," he said. "We want to stop this. At weddings, at wakes, they always pull out their guns and shoot in the air, they threaten people. And now they shot our best Fatah activists."

The notion that the summary trial and quick execution violated legal norms and civil rights was beyond the concern of the men. To them the Palestinian Authority had exercised justice that would have otherwise been left in the hands of the Khalidi clan.

"Will there be more executions?" a middle-aged man asked. "This is up to President Arafat."

The others gave consenting nods.

"We don't want more executions," the man said. "We want to give the lesson to stop the killings and the easy use of arms."

As night fell, relatives of the slain Khalidi brothers, Mohammed, 30, and Majidi, 32, gathered at a dusty lot to receive condolences. The older brother of the slain men, Bassam Khalidi, said he had issued strict instructions to his relatives, including 2,000 young Khalidi males, that there was to be no more bloodshed.

A senior official of the UN office in Gaza and fluent in English, Mr. Khalidi said he and his slain brothers were not even part of the two families' dispute and had gone only to talk with cousins who said they had been threatened in a quarrel over a woman. After the brothers had spent time with the cousins, he said, the Abu Sultan brothers appeared and started firing on them.

More than 20 Palestinians have been sentenced to death by the Palestinian Authority in the four years since it first took power in the Gaza Strip and West Bank.

Mr. Arafat has not allowed any other executions to proceed.

TAIWAN: President Shows Defiant Mood Toward China's Policy

Continued from Page 1

monwealth — we don't know," Mr. Lee said during the two-hour interview. "It's too early to say."

Although he said that Taiwan was prepared to consider reunification if China became free and democratic, he made it clear that he thought this would take decades.

"Think how difficult that would be," he said, adding, "It would be like a miracle happening."

Pressed on the point, Mr. Lee said that it might be possible for China to become democratic in 20 years or more.

Mr. Lee repeatedly complained about Taiwan's isolation in the world and said he had been searching for ways to make a breakthrough.

But he gave no hint of any particular steps he had in mind, although he made it clear he was not thinking about concessions to the mainland.

Some scholars, including Joseph Nye Jr., a former assistant secretary of defense and now dean of the Kennedy

School of Government at Harvard University, have proposed package deals intended to reduce the risk of a war in the Taiwan Strait.

The deals usually include a promise by China not to use armed force, in exchange for a pledge by Taiwan that it will not declare independence or that it will eventually reunify with the rest of China.

Asked why Taiwan is so reluctant to become "engaged" with the mainland, when it claims to intend to get "married," Mr. Lee said that Taiwanese were afraid of losing their freedom.

"We prefer the status quo," he said. "We prefer to stay single. Why get engaged if engagement is equivalent to becoming a local government and making ourselves slaves?"

Some foreign and local scholars have said that the broader problem is simply that Taiwan is a democracy now, and ordinary Taiwanese have become increasingly alienated from the mainland, with no intention of ever tying the knot.

In the latest government-sponsored poll, only 18 percent of people on Taiwan say they want to reunify with the mainland, even in the long run.

In another sign of Taiwan's drift away from China, a growing number of Taiwanese say in polls that they see themselves as "Taiwan people" rather than "Chinese people."

Asked how he saw himself, President Lee did not hesitate.

"I'm a Taiwan person first and a Chinese person second," Mr. Lee said. "All of us came a long time ago from mainland China, and we spend our lives here. So we love this place. But of course, we are all Chinese as well."

Later, after aides expressed concern at how that comment might be interpreted, Mr. Lee returned to the room and added by way of explanation:

"I am Taiwanese and I am Chinese."

Mr. Lee repeatedly emphasized his view that Taiwan had no need to declare independence because it is already an independent, sovereign country, formally known as the Republic of China.

Some Americans in Congress and elsewhere have criticized President Clinton for declaring a "three no's policy" about Taiwan during his visit to China: no support for Taiwan independence, no support for two Chinas or "one China, one Taiwan," and no support for membership for Taiwan in international organizations that require statehood.

But Mr. Lee did not seem particularly bothered by the "three no's" and he said he believed United States assurances that its policy had not changed.

The "three no's" policy itself had not hurt Taiwan, Mr. Lee said, although he added that China has been using it to try to get other countries to issue similar statements.

In particular, China has been pressing Japan to issue its own three no's statement, although Tokyo has so far resisted.

Despite the American and Chinese assertions of "one China" policies, Mr. Lee and other Taiwan officials offered a very different vision: They acknowledged that there is a single China as a cultural and historic zone, just as there is one Europe, but they say that this historic China is now divided.

"China is a divided country," Mr. Lee said. "Don't forget that fact."

Although he spoke of unification, Mr. Lee also emphasized that Taiwan would choose its own future.

"Taiwan's destiny isn't China's to decide," he said. "It's for the 21 million people on Taiwan to decide their destiny."

Taiwan and China are expected to resume a high-level dialogue this fall between representatives of each side, but nobody here seems optimistic that the talks will achieve any kind of breakthrough.

President Lee reiterated his willingness to go to Beijing on a "mission of peace," but it is clear that Beijing will never accept his conditions.

CHEMICALS: Broad Tests for Side Effects

Continued from Page 1

fects, low sperm counts, breast cancer, mental impairment and other ailments.

How serious this problem is and what should be done about it are among the most hotly disputed environmental issues, and the plan does not address what steps might eventually have to be taken to restrict the use of chemicals that are found to be harmful. This is a question with great economic and environmental implications.

Even though the scientific knowledge is still evolving, the advisory committee found, there is "appropriate widespread agreement" that a screening and testing program is needed.

"Increased screening is a first line of defense and a significant first step in limiting exposure to potentially dangerous substances," said Carol Browner, administrator of the federal agency. Groups representing chemical and pesticide companies have also backed the plan.

Many kinds of commercial chemicals, commonly found in industrial wastes, solvents, cleansers, pesticides, food additives, plastics, cosmetics, nutritional supplements, petroleum by-products and elsewhere throughout the environment would be scrutinized, at costs that some experts suggested could exceed \$100 million.

"The committee has given us a very aggressive approach, which is to start with a focus on the 15,000 chemicals that are produced in amounts of 10,000 that are produced in amounts of 10,000 or more per year," said Lynn Goldman, the agency's assistant administrator for pesticides and toxic substances, who headed the committee.

"I was very happy about where it went," said Mrs. Goldman, who is a toxicologist and pediatrician. "They created a way for us to take a huge step

forward. The amount of knowledge that is going to be generated to better protect the public and the environment is considerable."

Two years ago, Congress ordered the agency to develop ways of screening pesticide residues in food and contaminants in drinking water to see whether any of them are dangerous endocrine disruptors.

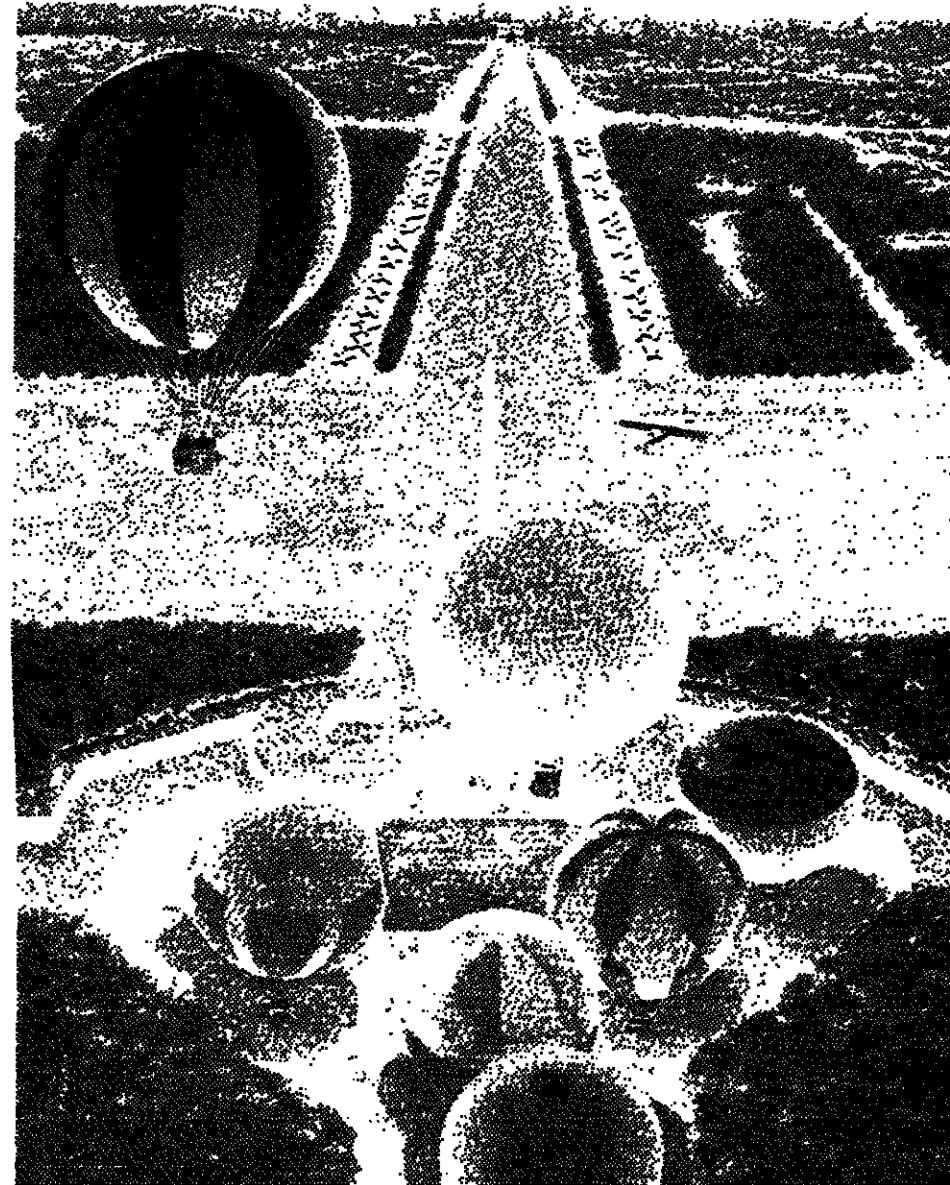
The agency put together the advisory committee, which has just completed a report that goes well beyond food and water quality to recommend what officials are calling the most sweeping program of toxicological screening and testing ever undertaken.

The project, if implemented as planned, would examine whether individual chemicals or their mixtures, including some naturally occurring compounds, affect either people or wildlife by acting on three primary endocrine systems, those governing estrogen, androgen and thyroid hormones. In the endocrine systems of nearly all animals, these hormones located throughout the body synthesize hormones and secrete them into the bloodstream. Receptors in the cells of various organs and tissues respond to these chemical messages to regulate sexual development, reproduction, metabolism, the brain and central nervous system, and other bodily functions.

The proposal is so ambitious that it would be impractical to subject every chemical to its full battery of tests. So the committee is recommending a system of triage to sort the estimated 87,000 chemicals that are in use.

Some of them, like polymers with molecules too large to cross cell membranes, are unlikely to pose endocrine problems and have been excluded. Of more than 62,000 chemicals that remain, the 15,000 produced in large quantities, plus all pesticides, would be the first to be screened.

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OPINION/LETTERS

Lashing Out With Missiles Is No Way to Combat Terrorism

By Raymond Close

WASHINGTON — My first job for the CIA's clandestine services 46 years ago was to organize a network of informants in the squalid Palestinian refugee camps of southern Lebanon — some barely a stone's throw from where my grandfather and great-grandfather established American mission schools more than a hundred years ago. The camps and the squalor are still there, no longer breeding grounds of communism but of the threat called terrorism.

Most people accept the premise that terrorism is a phenomenon that can be defeated only by better ideas, by persuasion and, most importantly, by amelioration of the conditions that inspire it.

Terrorism's best asset, in the final analysis, is the fire in the bellies of its young men, and that fire cannot be extinguished by Tomahawk missiles. If intelligent Americans can accept that premise as a reasonable basis for dealing with this nemesis, why is it so difficult for America's leaders to speak and act accordingly?

After the Aug. 20 military strikes in Sudan and Afghanistan, U.S. officials justified their action by citing Osama bin Laden's "declaration of war" on everything American. But to launch missiles into countries with which America is technically at peace, and to kill and injure their citizens, is to declare that the United States is free to make its own rules for dealing with this international problem.

What standing will America have in the future to complain about any other country that attacks the territory of its neighbor, citing as justification the need to protect itself from terrorism? Did those who authorized these attacks think through the long-term implications of this shortsighted and dangerous precedent?

The new threat is often stateless, without sovereign territory or official sponsorship. Friendly governments around the

world — especially those with large Muslim populations such as India, Pakistan, Egypt, Turkey, Jordan, Indonesia, Malaysia, the Gulf states and the new republics of Central Asia — share a need for internal and regional stability. Terrorism is a weapon that threatens all civil authority.

This set of circumstances provides an unprecedented incentive for intergovernmental cooperation, even among states that may differ on other basic issues. But the fight against a silent and hidden common enemy requires infinite patience and tact on the part of law enforcement agencies and intelligence services. It demands absolute secrecy, mutual trust and professional respect.

If the United States loses its cool without warning, if it is seen by others as a loose cannon that resorts to sudden violent action on a massive scale, the critically needed cooperation will not be there.

My hunch is that the next time Washington calls for help (from Pakistan, for instance, whose very competent police work was evidently vital to the investigation of the Nairobi and Dar es Salaam bombings), the officials of that country's intelligence service who are responsible for discreet liaison with the Central Intelligence Agency or the Federal Bureau of Investigation will be conveniently "out to lunch."

My former colleagues at the CIA, and the experienced professionals at the FBI, must be worried about this. They live on shared confidence. They know how hard it is to develop trust and how quickly it can evaporate.

In declaring a full-scale war on terrorism, the Clinton administration seems tempted to emulate Israel's failed example. This is understandable, but wrong. Israel's situation

is totally different from America's in every imaginable way. The state of Israel has been committed for 50 years to a policy of massive and ruthless retaliation — deliberately disproportional. "Ten eyes for an eye," the Israelis like to say. And still their policy fails, because they have not recognized what the thoughtful ones among them know to be true: that terrorism will thrive as long as the Palestinians are obsessed with the injustice of their lot and consumed with despair.

Wise and experienced Israeli intelligence officials have conceded to me that the brilliantly "successful" assassination of a Palestinian terrorist leader in Gaza a couple of years ago led directly to the series of suicide bombings that helped bring Benjamin Netanyahu to power — and may thereby have set back Israel's chances for peace for many years to come.

Even those who approve in theory of using military retaliation as a weapon against terrorism would agree, I think, that launching missiles at distant targets as ill-defined as "the infrastructure of terrorism" is neither an effective military strategy nor a credible deterrent against future criminal acts. This will be even more true when the adversary is armed some day with cheap, do-it-yourself weapons of mass destruction.

Over several years, the United States has tried to control Iraq's behavior by launching similar kinds of standoff strikes against Iraq. Very recently, American policymakers concluded that this was not working. It was costing a small fortune, severely weakening the overall combat readiness of the U.S. armed forces, straining relations with allies, abetting the interests of antagonists and economic competitors, and probably only strengthening the grip that Saddam Hussein holds on his suffering people. So when the Iraqi leader again defied the United Nations inspection regime a few weeks ago, we Americans mumbled some weak excuses and pretended we had not noticed.

Now, by launching attacks against suspected terrorist targets in Afghanistan and Sudan and threatening more violent retaliation in the event of further incidents, we have started down that same dead-end road.

The various militant Islamist movements around the world share a common ideology and many of the same grievances, but they are not a monolithic international organization. The recent U.S. attacks, unfortunately, may have inflamed their common zeal and hastened their unification and centralization — while probably adding hosts of new volunteers to their ranks.

The worst nightmare of strategic military and security planners is that a small and weak enemy could hold America hostage by possessing a weapon of monstrous power, yet so insignificant in size and appearance that it cannot be located. The missile strikes sent the message again, loudly and clearly, to all who would count themselves as America's enemies: Accelerate your efforts to acquire new and deadly high-technology weapons, and manufacture and store those weapons in hard shelters in the midst of your civilian population.

Meanwhile, the bombing portrayed as necessary to forestall additional terrorist acts has produced a level of public alarm in Washington that is precisely what the terrorists hoped to inspire. If terrorists have any outstanding quality besides vengefulness and cunning, it is patience. They may strike back next week, next month or next year. The image of four-star American generals emptying their pockets of coins and keys before passing through the metal detectors at the Pentagon is starkly symbolic of the futility of retaliatory violence.

What worries me most is that the attacks on the targets in Afghanistan and Sudan were reminiscent of what we Americans call "vigilante justice." This kind of policy weakens America's leadership position in the world and undermines the most effective defenses it will have against the terrorist threat: a commitment to the rule of law, dedication to fairness and evenhandedness in settling international disputes, and a reputation as the most humanitarian nation in the world.

The writer, who served in the CIA from 1951 to 1977, is a business consultant who travels frequently to the Middle East. He contributed this comment to *The Washington Post*.



about Iran in the years that led up to the anti-American explosion in that country. No one in the Clinton administration seems capable of grasping that a policy that catastrophically failed in Iran is not an intelligent policy to apply in Saudi Arabia.

The second reason for Islamic hatred of the United States is, of course, the Clinton administration's abandonment this year of the Israeli-Palestinian peace process, walking away from the promise Mr. Clinton made in 1993, on the White House lawn, to guarantee an equitable settlement for the Palestinians.

After the embassy bombings in Nairobi and Dar es Salaam, a self-proclaimed "Islamic Army for the Liberation of Muslim Holy Places" — presumably the organization financed or directed by Osama bin Laden — sent a communiqué to Radio France International taking responsibility for the attacks.

The Lebanese daily *As Safir* has published an analysis of this communiqué, noting that it differed in major respects from the usual terrorist rhetoric. It was written in concise, structured, educated Arabic, without the usual slogans.

Its theological orientation (as, according to the newspaper, is that of the religious leaders and scholars to whom the communiqué referred, including Mr. bin Laden himself, as well as figures in Pakistan, Afghanistan, Indonesia, India, and Bangladesh) was not fundamentalist in the extremist sense usually understood in the West, although it was strictly orthodox. The "nation," the communiqué said, had to be defended, but this was not Saudi Arabia, Palestine, or the "Arab nation," but the "nation" of all Muslims. The communiqué called the African bombings

"noble" acts of legitimate war, necessary to achieve goals demanded by the Koran and the prophetic tradition. The enemy was identified as an international coalition of Jews (not merely Israelis) with "Crusaders" (undoubtedly meaning Americans), together with those inside the Islamic nation who collaborate with this enemy. The struggle against them was presented as the same struggle conducted in the 1980s by Afghan Muslims against the Russian invaders of that country. It would seem that the authors of this communiqué have been reading Professor Samuel Huntington on wars of civilization.

Graham Fuller of Rand Corp. has said of U.S. policy that it has "fueled huge animosity across the Muslim world" and that "unless Washington seeks to understand that anger, the whole clash of civilizations idea could become a self-fulfilling prophecy."

When U.S. officials say that a "new kind of war" has begun against "a long-run threat to our way of life" — "a long war ... a long, ongoing struggle," Mr. Clinton said — they contribute to this radicalization and universalization of a conflict which in fact is unnecessary, undesirable, and in which the United States is going to be hurt.

An anti-American revolution in Saudi Arabia would be a disaster for U.S. interests, as well as for moderation in the Middle East. Broken promises to the Palestinians have subverted peace. Cannot the president, the secretary of state, and the national security adviser grasp that they are fueling an explosion in the Middle East for which history will not forgive them?

International Herald Tribune, Los Angeles Times Syndicate.

The U.S. Talk of 'War' Can Only Fuel Hatred

By William Pfaff

PARIS — Going to war against Islam is not a good idea. The president of the United States and his Department of State insist that the attacks on targets in Afghanistan and Sudan — two of the poorest countries in the world — had nothing to do with Islam. It does little good for them to say that if the people concerned think otherwise.

Those people have plausible reasons for what they think, as the man Washington

An anti-American revolution in Saudi Arabia would be a disaster for moderation in the Middle East.

holds responsible for the Aug. 7 bombings in Africa, Osama bin Laden, has insisted.

The Saudi Arabian monarchy has the responsibility, in the eyes of Muslims, of protecting the two principal holy places of the Islamic religion, Mecca and Medina. Mr. bin Laden says that the United States profanes those holy places through its military presence in Saudi Arabia.

The two bombings in

Africa occurred eight years to the day after U.S. troops arrived in Saudi Arabia, following the Iraqi invasion of Kuwait. King Fahd of Saudi Arabia allowed them into his country on condition that they would be withdrawn once the Gulf War was over.

The United States has not kept that promise. It now is installed in Saudi Arabia in a very big way. It not only maintains military installations there but has American officials at work inside the ministries of defense and interior — exactly the situation that existed in Iran before the revolution that overthrew the shah and expelled the United States.

King Fahd, who now is very ill, accepts this because he fears both Iraq and the Islamic opposition groups inside his country. He believes America can protect him. His brother and presumed successor, Prince Abdullah, is reported to be critical of the American presence, as are other important personalities in Saudi Arabia.

Washington has convinced itself that it must have military control of the Saudi Arabian and Gulf oil fields. It also is convinced that it knows better than the Saudi monarchy how that country should be governed, and "reformed" after the king dies.

This was exactly what the U.S. government thought

LETTER TO THE EDITOR

A Vacuum in Russia

Russia's crisis is more than one of bank solvency, the ruble exchange rate or paying foreign holders of recent debt. What the preachers of "reform," from Jeffrey Sachs to the International Monetary Fund, have seemed unable to grasp is that a liberal economy cannot operate in a legal and moral vacuum.

Clearly, this involves basics such as tax law and banking and securities-market regulation. But above all, what is needed is a recognition by bankers and entrepreneurs that profits must feed the real economy and not prey on it and that the real measure of an economy is how well it en-

tures full employment of a country's human and material resources.

As for policy, needed steps include nationalization of the banks, since the state needs to bail them out anyway; revival of purchasing power through the payment of up to a year's back salary or pension, contingent on filling out a tax return for the previous year, and strict controls on prices, trade and foreign exchange.

This would admittedly be a "statist" approach, but Russia is not lacking in people with the skills and motivation to administer it. Western experience shows that such measures need not be permanent.

REYNOLD RIEMER, Paris.

CROSSWORD

ACROSS

- 1 Book packet part
- 5 Admonition to Fido
- 9 Preserves, 35 jars
- 14 Lawn care product
- 15 Feel the —
- 16 Send via cyberspace
- 17 At the summit of
- 18 "Dirty" game
- 19 Bad as weather
- 20 Composer on a spree?
- 23 Narcotic native
- 24 Land, as a fish
- 27 Baitfish

DOWN

- 31 Grp. with a lot of pull?
- 32 1973 World Series stadium
- 35 Crucifix inscription
- 36 Hilo feast
- 37 Disguise oneself as a composer?
- 40 Mont Blanc's locale
- 41 Utah ski spot
- 42 She loved Narcissus
- 43 British suffix with American

ACROSS

- 44 Quadrennial candidate Harold
- 45 Pesto seasoning
- 46 Taoism founder
- 53 Composer's personal attendant?
- 57 Baby deliverer
- 59 Raindrop sound
- 60 Robert Cook novel
- 61 Find the value of x
- 62 Points (all)
- 63 Redemption author
- 64 Dirty political tactic
- 65 Wear a long face
- 66 Wine choice

DOWN

- 1 Back pocket liquor bottle
- 2 Loose-limbed
- 3 — for the Misbegotten (O'Neill play)
- 4 Full of energy
- 5 On one's back
- 6 1982 Disney film
- 7 Bug-eyed
- 8 Cheerleader's cheer
- 9 Has a hunch
- 10 Stun

- 11 Ultimate satisfaction, in a way
- 12 Small bird
- 13 Like a fox
- 21 Polytheistic
- 22 Professor Corey
- 23 State with a panhandle
- 26 Soaring: Abbr.
- 28 Novelist Cathie
- 29 Flying pests
- 30 Pupini pieces
- 32 Tortilla chip topper
- 33 "I could eat a horse," e.g.
- 34 Asner and Bradley
- 36 Driver a need: Abbr.
- 37 Secretary of State under Reagan
- 38 Fiat four
- 39 French legislature
- 45 Pass by
- 47 Caterpillar or grub
- 49 Come about
- 50 From top to bottom, informally
- 51 Team's wheels
- 52 Wipe out
- 54 W.W. II larc

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At Last, in the Fields, A Marker of the West

By Verlyn Klinkenborg

NEW YORK — For the past few years I have driven west every summer, and every summer the question returns: Where does the West begin? There are plenty of commonsense answers, the kind that break the country

my eyes, conjuring a similar place along Wyoming's Tongue River or Crazy Woman Creek. Then the corridor of corn resumes, row after row flickering past in the wet August light.

When the polite undulations of Iowa are past and we start the slow westward upthrust of Nebraska, the search for the West begins in earnest. Is it a copse of cottonwoods in a creek bottom? The first herd of horses where the colors of roan and dun predominate?

I am always surprised, driving across Nebraska, that no one thinks to mark the hundredth meridian, somewhere between Cozad and Gothenburg, a well-

The mind travels so much faster than a pickup truck.

known line of demarcation between the humid East and the semiarid West. But in Nebraska they irrigate the cornfields, so the difference, in vegetation at least, is diminished.

But beyond North Platte, Nebraska, near Ogallala, the West begins to preponderate, to win out over the Midwest. The mileage signs give distances to Cheyenne and Denver instead of Chicago and Des Moines. The low hills in the distance begin to be ridged with pines, and the farms begin to look like ranches. Yet something is still missing, some iconic marker. Sagebrush would do or a small wilderness of yucca or prickly pear.

And there, in the fields ahead, is the answer. Now I remember, for the answer is the same every year, on this highway at least. The West begins where the hay is put up in stacks.

The New York Times.

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Madonna's henna painted hands started a Hollywood trend. Etro's patchwork haute Bohemian coat, Marni's hippie de luxe panne velvet dress, coat and furry boots. Jemima Khan, right, wearing Voyage's signature decorative cardigan and richly flowered dress.



Voyage to Indian Summer of Exotic and Romantic Clothes

By Suzy Menkes
International Herald Tribune

LONDON — Ah! For mellow, mellifluous days steeped in rich fall colors before the fog-gray of winter sets in.

After a rotten summer in Northern Europe, a scorcher in half the Western Hemisphere, not to mention hurricane Bonnie and Chinese floods, what the world needs now is the sweet respite of an Indian summer.

Fashion is the harbinger of that hope. Even if the stores are already filled

with the long felted gray skirts and roll-necked cashmere sweaters that are the fashionable winter uniform, there is a late harvest of colorful, intriguing, whimsical clothes that bridge the summer and winter seasons.

Think of the first jacket to cover bare brown arms as a child-sized cardigan, braided in velvet, with a silken lining and trims of tiny rosebuds; or of the summer dress morphed into a slither of tie-dyed velvet; or coats in a patchwork of fabrics; of embroidered vintage-style purses with a dangling fringe of fake fur.

Tie-dye? Patchwork? Vintage?

Surely not that hippie stuff again, trekked from Indian markets or through Afghan passes to urban boutiques reeking of joss sticks?

Even if there is a whiff of India in the piquant colors and intricate workmanship, this is elegant, sophisticated, upscale fashion. To call it "haute bohemian," "hippie de luxe" or "ethnic chic" misses the point. This is fashion expressing the ultimate modern luxury: clothes given originality and individuality because they are touched by human hands.

Some of the Indian-summer looks are

designer fashions made in rich fabrics: collections like Etro of Milan, whose magical paisley patterns and dense floral prints in burnished colors are linked to India, while the clothes are given a funky downtown look. Or there is the Italian fur house Marni, where Consuelo Castiglioni offers coats tufted with fur or with Mongolian lamb collars; panne velvet skirts and dresses in Rajasthan colors — all showa with hairy moon boots.

decurrent to the bare, spare 1990s.

This fall, Voyage is spreading its butterfly wings. In October it opens a new London shop in Westbourne Grove, near Portobello market, at which a lower-priced or secondary Voyage line will debut. In November, a first international flagship store will open on Hollywood Road, Hong Kong. These are precursors of a New York store, envisaged for 1999.

"We created the movement," says Mazilli. "We understood that people can appreciate beautiful things. And we must have done something right to have built such loyal customers and a business worth £12 million (\$20 million) a year."

He defends Voyage's high prices (a typical customer spends £3,000) by showing the quality of the fabrics and the attention to detail. The store's infamous closed door, members-only policy was designed to protect Voyage from copyists but has turned into a formidable promotional tool. Fashion moths drawn to the red light glowing from this Ali Baba's cave of fashion treasures, hover outside, contenting themselves with a glimpse of a stony clientele from Madonna and the actresses Nicole Kidman and Melanie Griffith to the supermodels Naomi Campbell, Linda

Evangelista, Kate Moss et al. Down the block on Fulham Road at Voyage's men's store, Ringo Starr might be buying his umpteenth pair of velvet drawstring pants, ordering up a custom-made shirt or choosing a cigar, gift-wrapped with a finger ring.

"It's the new couture — beautiful fabrics and workmanship, but soft, not stiff like couture," says Mazilli, whose son Rocky and daughter Tatum work alongside their parents.

The secret of Voyage is simple to grasp but difficult to replicate: a sense of traditional luxury given a modern spin by making sumptuous fabrics into simple clothes. That means those famous Voyage cardigans, each one slightly and subtly different, in potpourri colors trimmed with spicy shades of velvet or Chinese braids; slips of dresses in wispy wool-lace with dainty embroideries; velvet coats in Renaissance colors like cardinal red shading to claret. And all this shown in an ambience that reflects the northern and southern characters of the founders: linear light-beams and geometric patterns contrasting with baroque fabrics and voluptuous Belle Epoque murals bought from the Paris Lido.

In brief: These are clothes for people with a passion for fashion in a world governed by a more frigid style.

BOOKS

KAATERSKILL FALLS
By Allegra Goodman. 324 pages. \$23.95. The Dial Press.

Reviewed by Michiko Kakutani

THE opening sections of Allegra Goodman's eloquent first novel, "Kaaterskill Falls," suggest a Shakespearean comedy of manners: There are allusions to "A Midsummer Night's Dream," and hints that the novel's backdrop — a bucolic New York village in the Catskills — is one of those magical green places where confusions can be resolved and transformations effected. The reader expects that the novel's two mismatched couples — Elizabeth and Isaac Shulman and Andras and Nina Melish — will somehow sort out their marital problems during their summer in Kaaterskill, and that their summer neighbors, too, will somehow resolve their dilemmas during their vacation in this upstate Eden.

Although the novel does not disappoint such expectations, its outcome is a far cry indeed from Shakespeare's romantic rondolets. Goodman's visitors to Kaaterskill are followers of a strict Orthodox rabbi called Rav Elijah Kirshner. Adultery and divorce are unthinkable, and their lives are ordered by dozens of rituals and rules, regulating everything from what they may wear to what sort of ovens they can use to cook for the holy days.

Goodman does a marvelously sym-

pathetic job of conjuring up the circumscribed world of the rabbi's followers, conveying the frustrations and rewards of their intensely religious life. She shows us just how interconnected her characters are, and how momentous the most seemingly ordinary events can be in their hermetic world.

As in Goodman's two accomplished collections of short stories ("Total Immersion" and "The Family Markowitz"), the tension between tradition and change, familial responsibility and personal autonomy, continuity and flux provides the motor for her narrative. In fact, her main characters divide into pairs of traditionalists and rebels, ideologues and iconoclasts.

Isaac Shulman accepts the strict demands of his faith with unquestioning ardor, while his wife, Elizabeth, yearns for contact with, if not immersion in, the outside world. Nina Melish, who has come late to religious tradition, has grown increasingly dogmatic, even as her husband Andras, who lost most of his family in the Holocaust, has grown increasingly skeptical about God.

Rav Kirshner's sons, too, represent two poles: Jeremy, a professor at Queens College, has embraced the intellectual passion of his father, while repudiating his religious dogma; his younger brother, Isaiah, has become his father's cautious, self-conscious heir-apparent, a dutiful but rigid rabbi who insists upon the letter, not the spirit, of the law.

Although these neat pairings of di-

chotomous characters might sound a bit schematic, Goodman writes with such supple understanding of her people that the reader quickly forgets the superstructure of her novel to become absorbed in the small, daily dramas of their lives. As a result, the reader comes to understand the frustrations, fears and hopes of each character, even ones like Rachel, Isaiah's bullying wife, who might ordinarily emerge as simple villains or clowns.

At the same time, Goodman demonstrates, as she did in "The Family Markowitz," her grasp of familial dynamics, the ways in which dreams and emotional habits are handed down and translated generation to generation.

The one weakness in this novel stems from Goodman's efforts to personify that outside world in several year-round residents of Kaaterskill Falls: a local real-estate baron named Michael King, who is trying to buy up land around the town; King's onetime lover, Candy Walker, a born-again Christian who has had a child out of wedlock, and Una Darmstadt-Cooper, an eccentric hermit who lives in the woods. These subsidiary characters are only sketchily defined.

In the end, however, these people are only minor distractions, easily overlooked and easily eclipsed by the humanity of Goodman's central characters. Indeed, "Kaaterskill Falls" ratifies the achievement of the author's short stories, even as it announces the debut of a gifted novelist.

—
New York Times Service

THE Belgian designer Dries Van Noten has always had a touch of ethnic spice in his straightforward collections of easy pieces — even if that means just a hand-embroidered scarf or a shrunken bolero.

But there is something New Age in spirit about a fashion movement that has millionaire Madonna showing off hands stenciled with henna, a trend of the moment that has washed over Hollywood.

Madonna's wardrobe of soft, layered clothes — that she has worn since putting her hair in Pre-Raphaelite curls and started looking soulful and spiritual — leads us to the heart of the matter: Voyage.

The London store, set up in a small way seven years ago by an Italian, Tiziano Mazilli, and his Belgian wife, Louise, was in the vanguard of a movement that has become a romantic un-

Jemima Khan: Shining Through

By Suzy Menkes
International Herald Tribune

LONDON — When Jemima Goldsmith married Imran Khan, a former international cricketer turned Pakistani politician, she expected to turn her back on fashion.

The sassy clothes she had worn in Western society as the daughter of the financier Sir James Goldsmith had to be doffed for covered-up styles appropriate to Pakistan.

But now the name "Jemima Khan" is appearing as a fashion label in London stores. Inspired by the exceptional handiwork she found in Lahore, Khan has produced a fashion collection based on intricately embroidered tone-on-tone "shadow work" pieces that are traditionally done by Pakistani women at home, using Islamic motifs stamped with a henna block and worked from the inside.

"They are the ones who are the artists and have an incredible eye," Khan says. "I don't think that I would appreciate work done by hand if I hadn't lived in Pakistan."

Khan says she worried that people in the West wouldn't understand the subtlety of the decoration and might be wary of embroidery that was not 100 percent symmetrical. She understood the innate luxury of the one-off, one-of-a-kind pieces only when she saw Pakistanis paying a premium for them.

So she set up a fashion company as a charitable organization with all profits going to the Imran Khan Cancer Appeal. The cause was supported by her close friend, Diana, Princess of Wales, who, like Khan, adopted the traditional *shalwar-kameez* and headscarf when she visited Lahore.

Although she was photographed in traditional clothes



Khan and her son, Sulaiman, pictured in Tatler, wearing pieces from her collection.

for a spread in Tatler magazine, her fashions — which sell like hotcakes at London's A la Mode boutique — are simple modern pieces: slip dresses, ballerina tops, shirts or long skirts.

Josephine Turner, co-director of the boutique, says that the Khan collection flew out of the door even before its designer was given publicity, because it typifies what is selling in the penultimate fashion season before the new millennium.

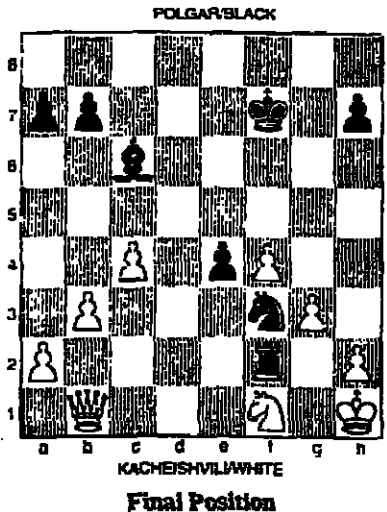
"People are looking for mixes of textures, for simple clothes enriched by hand embroidery and for quality," Turner says. "This is very much about wanted pieces, a feeling for things that are different."

CHESS

By Robert Byrne

JUDIT POLGAR of Hungary has become the first woman ever to finish first in a United States Open. Polgar, at 22 the highest-ranked woman in the world, and Boris Gulko, a Fair Lawn, New Jersey, grandmaster and former United States Invitational champion, each scored 8-1 to share a victory over some 300 entrants.

To achieve her share of the victory, Polgar had to foil many of her opponents



who would have been honored to get a draw with her. In some cases, she had to grind them down in lengthy endings; in others she set sneaky snares.

Her most typical performance was her game against the Georgian grandmaster Georgy Kacheishvili. Polgar won with a decisive attack produced by a fascinating queen sacrifice, the most daring tactical stroke in chess.

In the Classical Variation of the King's Indian Defense, 7...Nc6 is a 10-year-old move that lacks the central challenge of 7...Nc5, but in the event of 8 d5 it is well-positioned to delay c5. Unlike 7...Nbd7, it does not block the black queen bishop.

After 11 f3, it would be wrong to play 11...Nk2 because 12 Kf2 Qh4 13 Kg1 Bd4 14 Qd4 Qe1 15 Bh6 Ne6 16 Qf6 Qa1 17 Nd5 Re8 18 Ne7 permits no defense against 19 Ne6.

Polgar had to get some open lines for counterattack with 15...f5 or suffer a permanently passive position. That's the kind of dare she never declines.

After 19...Bd7, there was no immediate chance for Kacheishvili to attack on the queenside, so he tried to prevent the black pieces from sauntering into his king position by the forcing 20 f4.

But the aggressive Polgar soon let loose with the speculative pawn sacrifice 23...Ne5! 24 Nc7 Ne4 25 Be4 Re1 26 Re4 f6.

On 27...Ne5!?, the penalty for 28 f6? would have been 28...Qf3 29 Qg2 Qd1.

Kacheishvili tried to kill off Polgar's threats with 31 Nf6 Q7 32 Rd6, but Polgar set up a queen sacrifice with 32...Qe7 33 Qd1 Rg6! 34 Qa1 Qd6 35 Ne8 Kg8 36 Nd6 Rd6, gaining a powerful attack with her rook and bishop.

Kacheishvili played 40 Qb1 but gave up without going further. He had no defense against 40...Nc1! 41 Qe1 c5 42 Kg1 Rg2 43 Kh1 Rg3 44 Rf1 Rf2 45 Rf2 Rg3 46 Qh2 c4 47 Kh1 Nf3 48 Kh1 Ng5 49 Qg2 c2. If 41 Ne3, then Re2 42 Nd5.

KING'S INDIAN DEFENSE			
White	Black	White	Black
Kach'vili	J. Polgar	Kach'vili	J. Polgar
1 d4	Nf6	22 g3	Qh5
2 c4	g6	23 Bg2	Nc5
3 Nc3	Bg7	24 Nc7	Ne4
4 e4	d6	25 Be4	Re4
5 Be2	e5	26 Bg4	Re4
6 Nf3	e5	27 Nd5	Ne5
7 f4	Ne6	28 Bd4	Nf3
8 Re1	ed	29 Qe2	Bc6
9 Nd4	Re8	30 Bg7	Rg7
10 Bf1	Ng4	31 Nf6	Qf7
11 f3	Ne5	32 Rd6	Qe7
12 Bg3	Ne5	33 Qd1	Rg6
13 Qd2	Ne6	34 Qa1	Qd6
14 Ne2	Qb4	35 Ne8	Rg8
15 Rd1	Re8	36 Nd6	Rd6
16 e5	g5	37 Ne3	Rd2
17 h3	Kh8	38 Nf1	Rf2
18 Nd5	Rg8	39 Qd1	Kf7
19 Kh1	Bd7	40 Qb1	Re8
20 f4	Ng4		Resigns
21 Bg1	Ra8		

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Chipping Away at Intel

Alliance With Microsoft Comes Under Strain

By John Markoff
New York Times Service

PALO ALTO, California — Everywhere around Silicon Valley these days, there seem to be signs that the so-called alliance between Microsoft Windows and the Intel chip, the so-called Wintel duopoly, may be unraveling.

For almost two decades, the fortunes of Intel Corp. and of Microsoft Corp. have been inextricably bound as the two companies have come to dominate the hardware and software hemispheres of the personal computer world.

But recent disclosures from documents obtained by the Justice Department and the states as part of their investigation into Microsoft's business practices show the deep frustration felt by Intel executives in the face of pressure applied by the Microsoft chairman, Bill Gates.

Yet, it is changes in computer technology and the explosive market growth of new consumer electronics products that may be working to drive an even deeper wedge between the two companies. And if the two partners do become estranged, it may be Intel that feels more pain.

Two other chipmakers, Advanced Micro Devices Inc. and National Semiconductor Corp., have already been giving Intel fits in the growing market for microprocessors for personal computers that sell for less than \$1,000.

And increasingly, the computer industry's growth is shifting more rapidly than had been expected toward consumer electronics devices like cellular telephones and hand-held personal digital assistants, markets in which neither Microsoft nor Intel wields much influence.

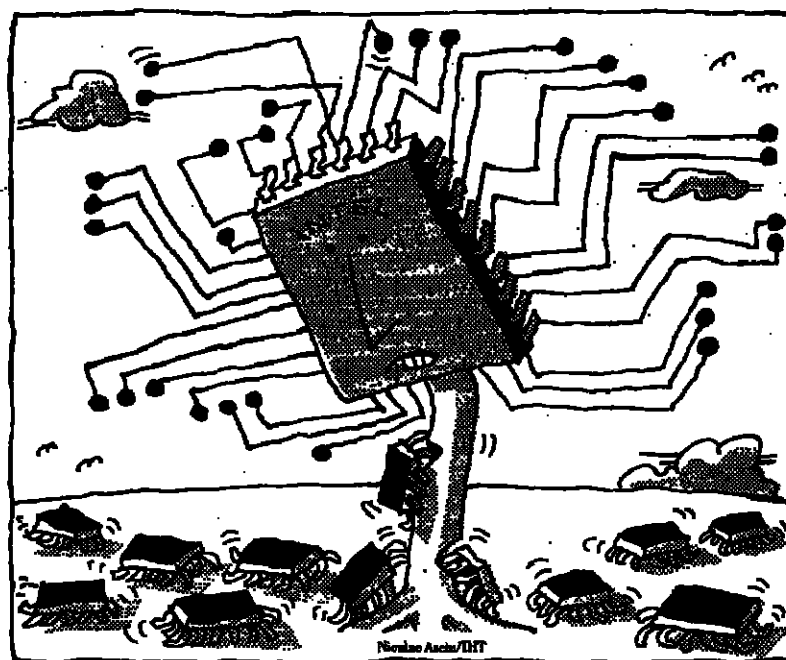
In fact, Microsoft's interest in cracking the consumer electronics market is adding to the strains in the Wintel alliance, as the software maker quietly but actively courts would-be competitors of Intel.

In July, Microsoft signed a deal with a Japanese electronics giant, Matsushita Electric Industrial Co., to use Microsoft's Windows CE as the software for a multimedia microprocessor chip that Matsushita is preparing for consumer audio and video products like television set-top boxes.

Moreover, the Silicon Valley grapevine is full of chatter about Transmeta Corp., a secretive Santa Clara start-up company that is financed in part by a Microsoft co-founder and board member, Paul Allen.

Transmeta officials declined to comment, but one conjecture is that the company is planning a new processor chip that would capitalize on software like Microsoft's Windows CE or Sun Microsystems Inc.'s Java for use in new generations of hand-held computers and phones.

The twin threat of Matsushita and Transmeta seems representative of a



rapidly eroding influence for Intel, the world's largest semiconductor manufacturer.

"What happens is that transistors nibble away at the roots of giant trees, and suddenly they fall over," said Richard Doherty, president of Envisioning, a computer-aided design consulting firm in San Francisco. "This is a term-level pincher move against Intel."

It is not as if Intel has been standing still. The company has chosen to replace its aging X86 microprocessor architecture, the 286, 386, 486 and Pentium series of chips that have been the company's cash cow for more than 15 years,

with a new family of microprocessors that would be restricted to the very high end of the computer industry's price range, where PC chip competitors may be unwilling or unable to follow.

The potential flaw in that strategy is that, increasingly, the industry's newest technologies and market opportunities are occurring among lower-priced devices in which Intel has traditionally had little to offer.

As a result, some analysts see a chance of Intel eventually finding itself stranded at the upper end of the computer market while the industry heads in other directions.

Hong Kong Retreats

And Hang Seng Slides

Government Slows Buying; S&P Cuts Ratings

By Philip Segal
International Herald Tribune

HONG KONG — Stocks plunged Monday after a battered Hong Kong government stood down from its two-week, \$12.5 billion intervention in the market and switched its attention to supporting the Hong Kong dollar in the currency markets, traders said.

The benchmark Hang Seng index fell by 7.1 percent, its largest percentage decline since January. It closed down 554.70 points, at 7,275.04. The Hang Seng is now just over 8 percent higher than where it was when the government decided to intervene in mid-August, a process that has turned it into the largest shareholder in Hong Kong.

Standard & Poor's Corp. on Monday cut Hong Kong's credit ratings, citing the stock-market intervention as one reason. AFX News reported, S&P downgraded both the long- and short-term, foreign currency sovereign credit ratings.

S&P said the downgrades reflected a decline in Hong Kong's financial flexibility "due to the growing domestic impact of East Asia's recession, which likely will persist through 1999, as well as the large official purchases in the local equity and futures markets."

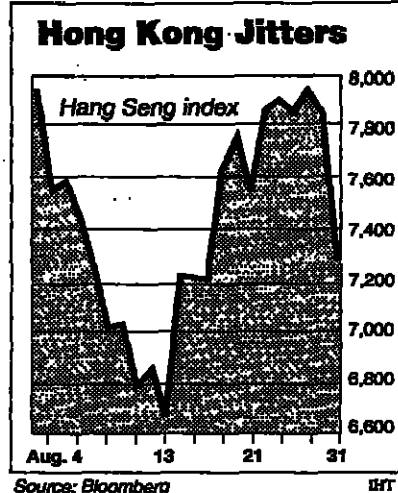
S&P lowered the foreign currency sovereign credit rating to AA-1 from A+/A-1+. S&P also cut Hong Kong's long- and short-term local currency ratings to A/A-1 from AA-/A-1+.

The almost complete absence of government buying of stock Monday came after a \$7 billion buying spree Friday failed to raise share prices.

Donald Tsang, the Hong Kong financial secretary, who was flanked by other senior government officials when the stock intervention policy was announced in August, was left Friday to defend possible further interventions in the stock market on his own.

"Friday was the Battle of the Somme, which they lost," said the head of sales at a European brokerage. "The big guns have been silenced now."

The government has been battling to preserve the Hong Kong dollar's link to the U.S. dollar at 7.8 to 1. Authorities have accused speculators of driving down stock prices by using the futures market, and have accused them of using



Source: Bloomberg

their profits to bet against the currency. By propping up stock prices, the government had hoped to drive speculators away, but Joseph Yam, head of the Hong Kong Monetary Authority, told the South China Morning Post over the weekend that the government had been forced to buy significantly more stock than it had planned.

Intervention in the stock market has now cost the government some 13 percent of its foreign exchange reserves, which are critical for maintaining confidence in the fixed exchange rate.

On Saturday, Mr. Tsang promised that the government would hold on to the shares it bought for the long term, and the government has discussed the idea of new laws aimed at restricting short selling of stocks, a strategy in which traders sell borrowed stock with the intention of buying it back more cheaply. The Hong Kong Futures Exchange has also made it more expensive to speculate in Hang Seng index futures.

The government bought small amounts of stock Monday, a sales executive at a U.S. brokerage said. But the emphasis shifted to the currency markets, where, in a less visible intervention, the government has also been spending huge amounts to defend the Hong Kong dollar, he said.

"The numbers are similar between

See DROP, Page 15

Are All Those Bears Murmuring 'Recession'?

By Edward Wyatt
New York Times Service

NEW YORK — The sharp sell-off in stocks has led a growing number of people on Wall Street to wonder whether the stock market, often a leading economic indicator, may be forecasting a recession in the United States.

The stock market is down nearly 14 percent in the last six weeks, with more than a third of those losses coming in the last week.

The stock market has not experienced such a prolonged downturn since 1990 — when the United States last slipped into a recession.

So far, few economists believe the end of the nation's seven-year economic boom is near. Like most of the investment strategists on Wall Street, they think that even if stock prices had risen too high, jobs are plentiful and housing is booming. And there are no indications of inflation that might cause the Federal Reserve Board to raise interest rates, the typical precursor to an economic slump.

Even though corporate profits are slowing because of the economic difficulties in Asia, Russia and elsewhere,

there are few signs yet that this weakness is widespread enough to cause the total U.S. economic output to begin to shrink.

But if the drop in stock prices continues, it could shake the confidence of the many American consumers who accumulated considerable paper wealth in the 1990s bull market.

If these consumers begin to cut back their spending, that might be enough to further weaken corporate profits, sending the economy into at least a stall, if not a downturn.

And beneath the surface of the booming American economy is a disparity that financial analysts say cannot last.

"Americans recently have been spending faster than their incomes have been rising," said Greg Smith, the chief investment strategist at Prudential Securities. "Could their spending be even stronger next year? I don't think so."

In recognition of that fact, Mr. Smith said, the stock market is anticipating "a profits recession, if not an economic recession."

Still, many economic experts say the market's decline has not yet been severe enough to change investors' psychology. "The average investor doesn't be-

lieve he will be impacted by this" recent decline in stock prices, said John Cleland, the chief investment strategist for the Security Benefit Group, a mutual fund company in Topeka, Kansas.

"The enormous wealth that has been created over the last three years means that most people are playing with the house's money," he continued. For their outlook to change, investors will have to get a sense that the money they are losing is their own.

Albert Wajsbower, an economist at the Clipper Group, a Wall Street investment firm, agrees. "If the stock market does not fall much from where it is now, I think all this will have zero effect on people's spending habits," he said.

Yet some investors already appear to be pulling back from the stock market, perhaps in recognition that more of Americans' total wealth is tied up in stocks today than at any time since the end of World War II. Individuals have rushed to buy more stocks after every significant market decline since 1990. But in recent weeks, as many of the mutual fund investments have begun to show losses for the year so far, investors have been funneling more cash into the

safer havens of money market funds.

Some of that reaction can be traced to the general feeling of uncertainty about the future that has grown in recent months, as economic troubles overseas have worsened.

"It isn't that the stock market is predicting a recession," Peter Bernstein, a New York economist and consultant, said. "What's happening is much more complicated than that. There is a sense that people really don't understand what makes the world work, and they don't know what to do about it. Two months ago, people understood how the world worked, and in case anything happened, Alan Greenspan was there to make everything come out right."

Malaysia to Consider 'Drastic' Measures

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Prime Minister Mahatir Mohamad will convene a special cabinet meeting Tuesday to discuss "drastic" measures to revive Malaysia's crisis-hit economy, officials said Monday.

The meeting comes after a rocky week in which the Southeast Asian nation officially fell into recession and its two top bankers resigned. A source close to the cabinet said Mr. Mahatir considered the economic problems "very serious."

Although cabinet sources would not indicate what would be on the agenda, it is likely that ministers will discuss the resignations last week of Ahmad Mahamad Don, the governor of the central bank, and his deputy, Fong Weng Phak.

Mr. Mahatir has admitted that there was a rift over monetary policy between the central bank and the government.

Mr. Mahatir and Daim Zaiduddin, the special economics minister, have been pushing for lower interest rates as part of an initiative to lift the sagging economy, which contracted 6.8 percent

in the second quarter.

Mr. Ahmad and Mr. Fong were uncomfortable with that strategy and preferred to quit Bank Negara, sources close to the central bank have said.

Sources dismissed rumors that Kuala Lumpur was considering capital controls to try to restrict money leaving the country. "It has nothing to do with capital control," a source said.

But economists say such action may be the only way to protect the faltering ringgit if interest rates are cut further. The currency has lost 40 percent of its value over the past 14 months.

A source said the two main issues confronting the economy were the unstable exchange rate and speculators. "The drastic measures should not be viewed negatively," the source said. "It may facilitate foreign investors."

Mr. Mahatir has promised "shocking" measures to help revive the economy, and there has been widespread speculation that foreign-exchange controls may be implemented.

On Monday, the Kuala Lumpur Stock Exchange said it would ban trading in the country's stocks overseas beginning

Tuesday, which will effectively end trading of Malaysian shares in Singapore.

"We want to bring all off-market transactions into the exchange," said Azlan Hashim, chairman of the Kuala Lumpur Stock Exchange.

The government said the rules aimed to increase financial transparency and protect investors. But they appear to target the trading of Malaysian companies on a Singapore exchange called Clob International. Malaysia has been seeking since July to end what it calls the growing influence of Singapore's over-the-counter market on Malaysian shares.

The key stock index in Malaysia has plummeted 53 percent in dollar terms this year.

It was not immediately clear if Kuala Lumpur could force a halt in the trading of Malaysian stocks on Clob. Most of the stocks trading on the exchange are Malaysian. Kuala Lumpur contends that speculative buying and selling of its stocks in Singapore is influencing domestic markets.

(AFP, AP, Reuters, Bloomberg)

CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	DK	Other
Australia	1.92	2.35	1.75	0.26	0.114	—	5.01	1.24	1.05
Canada	0.70	0.70	0.70	0.70	0.70	—	0.70	0.70	0.70
France	1.72	2.48	—	—	—	—	—	—	—
Germany	1.72	2.48	—	—	—	—	—	—	—
Italy	1.93	2.36	0.74	0.23	0.114	—	5.01	1.24	1.05
Japan	1.93	2.36	0.74	0.23	0.114	—	5.01	1.24	1.05
UK	1.92	2.35	—	—	—	—	—	—	—
US	1.00	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—

Libid-Libor Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	Other
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	Other
US	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

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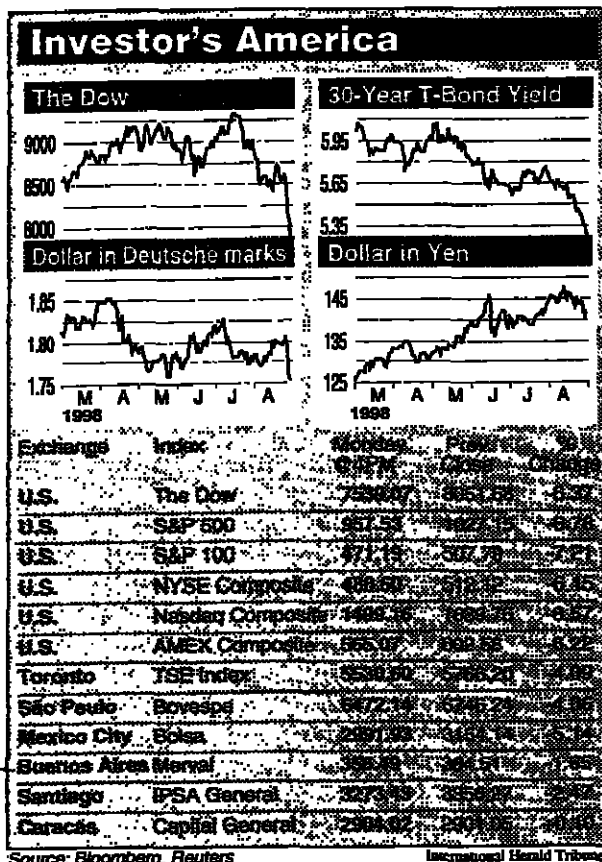
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THE AMERICAS



Very briefly:

- Tyson Foods Inc. will take \$196 million in pretax charges in the financial fourth quarter ending in October to close or sell factories, grain mills and fishing boats, as the company focuses on its poultry business. The charge is also being taken to cover losses in Russia and Asia.
- Hicks, Muse, Tate & Furst Inc. agreed to pay \$350 million for a 35 percent stake in Triton Energy Ltd., an oil and natural gas exploration company that needs cash to develop foreign projects.
- The Central Bank of Brazil said \$7.7 billion left the country between Aug. 1 and Aug. 28 as investors bought up U.S. dollars from the central bank amid a global market rout.
- Boeing Co. does not plan to abandon joint projects with its Russian partners because of the economic crisis in Russia.
- Canada said that total economic activity edged down 0.1 percent in June from May for its third consecutive monthly decline.
- Viacom Inc. plans to start repurchasing as much as \$1.75 billion of its stock in a bid to boost its stock price.
- FLAG Financial Corp. plans to merge the operations of Brown Bank, Heart of Georgia Bancshares Inc. and Empire Bank Corp. into FLAG.

Stock Slump Takes Toll On Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the Deutsche mark and the yen on Monday as investors digested the impact of the falling U.S. stock market.

Pressure came from speculation that the Federal Reserve Board may be forced to cut U.S. interest rates to avert a stock-market collapse.

Fears of "a serious global recession" have led analysts to expect the Fed to lower U.S. interest rates,

FOREIGN EXCHANGE

said Marc Chandler, senior currency analyst at Deutsche Bank.

The shift in perception of Fed policy, even though premature, is significant," Mr. Chandler said.

The dollar was quoted at 4 P.M. at 1.7525 Deutsche marks, down from 1.7590 DM on Friday.

The dollar slipped to 140.550 yen from 141.975 but was supported by still more signs that Japan was having trouble pulling its economy out of its slump.

One of the country's biggest banks is pleading its case this week in Parliament for a bailout using taxpayer money. The dollar also was supported against the yen by renewed military tensions in Asia after North Korea successfully fired a missile into waters off Japan.

The deepening global turmoil and losses from investments in emerging markets have investors worried. In part of an effort to cover those losses, traders have started to liquidate profitable positions elsewhere, and that includes U.S. equity and currency markets, traders said.

Against other major currencies, the dollar held at 5.8960 French francs but fell to 1.4360 Swiss francs from 1.4403.

The pound fell to \$1.6801 from \$1.6825.

(Market News, Bridge News)

New Evidence Is Possible in Microsoft Lawsuit

By Steve Lohr
New York Times Service

NEW YORK — The U.S. government and 20 states suing Microsoft Corp. are planning to ask a federal judge to admit new evidence in their major antitrust case against the software maker, according to a person close to the investigation.

The Justice Department and states were scheduled to reply Monday to a Microsoft motion requesting Judge Thomas Penfield Jackson to reject or pare back the case.

The Seattle Times reported Sunday that the new accusations would be made Monday. But the person close to the investigation said that the government and states had not yet reached final agreement on what fresh evidence to include, and that they would discuss the matter Monday morning.

The move to bolster the antitrust case comes as federal and state investigators interrogating Bill Gates, the Microsoft chairman, decided that they needed an unexpected third day to question him. The Gates deposition, taken in

private, began Thursday and Friday. The third session is tentatively scheduled for Wednesday at the Microsoft corporate headquarters, outside Seattle, where the first two sessions were held.

In his videotaped testimony, Mr. Gates, according to a person who was informed of Mr. Gates' replies, has hewed to the company's line throughout the case, denying any wrongdoing in its pursuit of the market for software used to browse the Internet — the main focus of the case against Microsoft.

Specifically, this person said, Mr. Gates denied any knowledge of attempts to persuade or force Netscape Communications Corp., an Internet pioneer, to divide the market for browsing software. The government and states contend that Microsoft proposed a collusion pact, which was rejected by Netscape, during two meetings in June 1995.

Under the law, the government and states can include new evidence in their case, but only if the fresh evidence meshes closely with charges already in the complaint.

US West Reaches Tentative Agreement With Striking Union

Bloomberg News

DENVER — U.S. West Inc. and the Communications Workers of America have reached a tentative agreement on a new three-year contract, ending a two-week strike by 34,000 workers against the sixth-largest U.S. local telephone company.

The agreement, reached late Sunday, would increase wages by 10.9 percent and pensions by 21 percent over three years, U.S. West said. The company provides telecommunications services to more than 25 million customers nationally, including local phone service in 14 Western and Midwestern states.

U.S. West accepted a union demand for less mandatory overtime and agreed to union input on a pay-for-performance plan that would be voluntary for both current and future workers.

The strike, the first in U.S. West's 14-year history, began on Aug. 16.

MARKET: Dow Plummets 6.37% to Erase Gains of 1998

Continued from Page 1

Yahoo! Inc. each lost more than 15 percent of their values. Dell finished down 1.8% at 100 and Yahoo! ended down 14 1/16 at 69.

"There has been a lot of damage done," Mr. Collins said, but Wall Street "is still the only game in town. Whether we go to 6,000 or whether we go to 4,000, you've still got to put money to work somewhere, and people aren't going to just keep it under their mattresses."

Mr. Metz, however, suggested that investors would opt for the safe haven of Treasury bonds and short-term investments such as certificates of deposit, which offered the prospect of modest gains against the threat of losses in stocks.

The Treasury market bellwether, the 30-year issue, rose 1/32 point to 103 17/32, where its yield was a record low 5.27 percent, down from 5.34 on Friday.

Bonds also drew some strength from two reports indicating some weakness in the economy: the government said single-family home sales fell 1.6 percent in July, to an annual rate of 886,000 units after downward revisions for May and June, and the Chicago branch of the National Association of Purchasing Management said its index of Midwest industrial activity fell to 49.3 in August, below the 50 level that divides recession and expansion, from 57.6 in July.

But neither report was an unmitigated sign of broad weakness in the economy. Home sales remain "robust," according to a report from Stan Shipley, senior economist at Merrill Lynch & Co., while the Chicago purchasing managers' report has been out of step with the national survey, the August edition of which is due out Tuesday.

For investors accustomed to the double-digit percentage increases in

their stock holdings over the past three years, the yield on Treasury bonds seems paltry.

The Dow ended 1997 with a gain of 23 percent, following advances of 33 percent in 1995 and 26 percent in 1996.

The S&P 500 index closed down 69.61 points Monday at 575.33, a

U.S. STOCKS

loss of 6.78 percent for the day. The index is now 1.33 percent below its December 1997 close.

Technology issues were particularly hard hit amid concern that slowing global economic growth could hurt sales of computers and related equipment. Compaq Computer was the most-active issue on the New York Stock Exchange, dropping 2 1/16 to 27 15/16.

Other leading computer-related stocks showing big losses in Nasdaq trading were Cisco Systems, down 12 13/16 at 81 1/16, Microsoft, off 9 5/16 at 95 15/16 and Intel, down 5 1/16 at 71 3/16.

On the New York Stock Exchange, America Online was off 13 1/2 at 81 15/16 and International Business Machines was 9 15/16 lower, at 112 3/4.

Banking issues, which had been higher until a burst of late selling added 300 points to the Dow's loss, ended sharply lower. Chase Manhattan fell 3 1/2 to 53 and Citicorp was down 9 1/4 at 108 1/4.

Among the drug companies, Pfizer fell 7 1/4 to 94.

Other popular issues showing large drops were Coca-Cola, which ended 7 7/16 lower, at 65 1/4, and General Electric, which fell 5 1/4 to 80.

Chancellor to Buy Outdoor Advertiser

Bloomberg News

IRVING, Texas — Chancellor Media Corp. said Monday it would buy Whiteco Industries Inc.'s billboard unit for \$930 million, making it one of the top five U.S. outdoor advertisers by more than doubling its presence.

The cash purchase of Whiteco Outdoor Advertising adds 21,800 displays in 34 states, including cities such as Chicago, Dallas and Indianapolis. Chancellor's billboard business will generate pre-forma revenue next year of \$245 million.

The move comes less than a week after Chancellor agreed to buy Capstar Broadcasting Corp. for \$4.1 billion, which will make Chancellor the largest U.S. radio broadcaster. The acquisitions are part of Chairman Thomas Hicks' strategy to build the company into a powerhouse in radio,

TV and billboards, seeking to attract advertisers by broadening its reach in local markets.

Chancellor shares fell \$5.975 to \$35.3125 on Monday.

Chancellor has been expanding on several fronts in the past year, aggressively mapping out radio stations and entering the billboard and TV businesses. Since June, the company has announced acquisitions totaling almost \$8 billion, including the \$610 million purchase of the closely held billboard company Martin Media LP.

Chancellor also bought TV broadcaster LIN Television Corp. for \$1.7 billion in July. And with the Capstar purchase, Chancellor will have 463 radio stations in 103 markets. That is more than double the size of its next-largest competitor, Clear Channel Communications Inc.

Weekend Box Office

The Associated Press

LOS ANGELES — Blade dominated the U.S. box office over the weekend, with a gross of \$11.1 million.

Following are the Top 10 money-makers, based on Saturday's ticket sales and estimated sales for Sunday.

	1. Blade	2. Something About Mary	3. Saving Private Ryan	4. The 400 Blows	5. Why Do Fools Fall in Love	6. Ever After	7. The 400 Blows	8. The 400 Blows	9. The 400 Blows	10. The 400 Blows
	\$11.1 million	\$8.8 million	\$8.6 million	\$8.2 million	\$8.0 million	\$7.8 million	\$7.6 million	\$7.4 million	\$7.2 million	\$7.0 million

(Market News, Bridge News)

U.S. STOCK MARKET DIARY

Aug. 31, 1998

High Low Last Chg. Opt

Dow Jones 575.33 575.33 575.33 -69.61

S&P 500 575.33 575.33 575.33 -69.61

NYSE Composite 575.33 575.33 575.33 -69.61

AMEX Composite 575.33 575.33 575.33 -69.61

Nasdaq Composite 575.33 575.33 575.33 -69.61

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The 1998 International Herald Tribune Survey

Dear Reader

As a reader of the International Herald Tribune, you are of vital importance to the newspaper, whether you are a regular, occasional or even a first-time reader. Only by knowing more about your thoughts on the newspaper content, your lifestyle and your business, can we endeavour to produce a better newspaper.

We would be very grateful if you could take the time to fill in this questionnaire, fold it following the instructions on the reverse side and post it (the postage is already paid). For every reply we receive we will donate a dollar to a charity.

If you wish to enter our free prize drawing, please fill in your name and address in the space provided below - two winners will be sent a decanter of Fine Champagne Cognac Extra from Rémy Martin.

Thank you very much for your time.

Peter C. Goldmark Jr.
Chairman and Chief Executive

Please indicate your responses with an X in the appropriate boxes.

YOU AND THE INTERNATIONAL HERALD TRIBUNE...

1 - How often do you usually read or look at the IHT?
5-6 days a week ☐ 1-2 days a week ☐
3-4 days a week ☐ Less than once a week ☐

2 - How do you usually obtain your copy of the IHT?
when in home country when traveling
Home subscription ☐ Airline ☐
Personal office subscription ☐ Hotel ☐
Colleague/friend/relative ☐ Newsstand ☐
Newsstand ☐ Other ☐
I only read the IHT when traveling ☐

3 - And how many people excluding yourself usually read your copy of the IHT?
One ☐ Three ☐ Five or more ☐
Two ☐ Four ☐ No one else ☐

4 - On average, how much time do you spend reading the IHT?
Less than 15 minutes ☐ 1-2 hours ☐
15-29 minutes ☐ 2-3 hours ☐
30-44 minutes ☐ Over 3 hours ☐
45 minutes-1 hour ☐ Not sure ☐

5 - For a typical issue of the IHT, what percentage of pages do you look at or read from before you discard the newspaper?
100% ☐ 60% ☐ 20% ☐
80% ☐ 40% ☐ Less than 20% ☐

6 - Usually, how many separate times do you pick up your copy of the IHT before you have finished with it completely?
WRITE IN

7 - How many other daily newspapers do you usually read? (Please include all daily titles whether they be international, national or local)
One ☐ Three ☐ Five or more ☐
Two ☐ Four ☐ No other ☐

8 - If you had to rank by order of importance to you personally the daily newspapers you read, where would you rank the IHT?
First ☐ Second ☐ Third ☐ Other (WRITE IN)

9 - Please indicate your level of agreement with the following statements regarding the IHT:
Strongly agree Agree Neither agree nor disagree Disagree Strongly disagree
Publication I want to read ☐ ☐ ☐ ☐ ☐
You can believe what you read in it ☐ ☐ ☐ ☐ ☐
I look forward to reading it ☐ ☐ ☐ ☐ ☐
Is a leisurely read ☐ ☐ ☐ ☐ ☐
Is a publication I read thoroughly rather than skim ☐ ☐ ☐ ☐ ☐

10a - Do you ever read the IHT on the internet?
Yes ☐ No ☐

10b - If yes, how often?
Each day ☐ 1-2 times/week ☐ 3-4 times/week ☐ 5 times/week ☐ Less often ☐

AIR TRAVEL...

11 - Approximately how many international air trips have you made in the last 12 months?
Business Pleasure Business Pleasure
1-3 trips ☐ 11-15 trips ☐ none ☐
4-6 trips ☐ 16-20 trips ☐
7-10 trips ☐ 21+ trips ☐

12 - Which, if any, of the regions listed below have you visited by air in the last 12 months?
Business Pleasure
Austria ☐ Hong Kong ☐
Belgium/Luxembourg ☐ India ☐
France ☐ Indonesia ☐
Germany ☐ Japan ☐
Greece ☐ Korea ☐
Israel ☐ Malaysia ☐
Italy ☐ Philippines ☐
Netherlands ☐ Singapore ☐
Scandinavia ☐ Taiwan ☐
Spain ☐ Thailand ☐
Switzerland ☐ Other Asia/Pacific ☐
UK ☐ USA ☐
Eastern Europe ☐ Canada ☐
Other Europe ☐ Central America/Caribbean ☐
Africa ☐ South America ☐
Australia/New Zealand ☐ Middle East ☐

13a - For business trips what class of travel do you usually use?
Trips up to 4 hours or more
First Class ☐ Business Class ☐ Economy ☐

13b - How many frequent flyer clubs are you a member of?
None ☐ One ☐ Two ☐ Three or more ☐

WIN A DECANTER OF FINE CHAMPAGNE COGNAC EXTRA



RÉMY MARTIN
FINE CHAMPAGNE COGNAC

To thank you, a dollar will be given to a charity of your choice. Please indicate which of these charities should benefit from your dollar donation.

World Wildlife Fund ☐ Cancer Research ☐
Médecins Sans Frontières ☐ International Red Cross ☐

14 - Approximately how many nights have you spent in hotels on business in the last 12 months?
1-7 ☐ 15-29 ☐ 50-74 ☐
8-14 ☐ 30-49 ☐ 75+ ☐ none ☐

15 - In the last 12 months, have you:
flown in your own private plane? Yes ☐ No ☐
flown in your company's plane? Yes ☐ No ☐

ABOUT YOUR LIFESTYLE...

16 - Which, if any, of the following cards do you use? (Please check all that apply.)
AMEX Gold/Platinum ☐ Any other card ☐
AMEX Green ☐
Visa Gold/Premier ☐ International telephone calling cards:
Other Visa ☐ - AT&T ☐
MasterCard Gold ☐ - MCI ☐
Other MasterCard ☐ - Sprint ☐
Diners Club ☐ Any other int'l calling cards ☐

17 - Which of the following items have you bought in the last 12 months, whether for yourself, your household or as a gift? (Please check all that apply.)
Cognac ☐ Perfumes ☐
Blended/malt whisky ☐ Watches ☐
Canadian/US/Irish whisky ☐ Jewelry ☐
Gin ☐ Designer clothing ☐
Vodka ☐ Leather items ☐
Crystalware ☐ Writing accessories ☐

18a - How many cars do you have in your household?
none ☐ one ☐ two ☐ three or more ☐

18b - Do you have a company car?
Who chose it? Yes ☐ No ☐
Your company ☐ You ☐

18c - What is the size of the engine of your:
personally owned car? under 1999cc ☐ 2000-3000cc ☐ over 3000cc ☐
company owned car? ☐ ☐ ☐

19 - Which of the following do you currently use?
Personally For business
Personal computer ☐ ☐
Laptop/notebook/handheld computer ☐ ☐
CD-ROM ☐ ☐
Video conferencing ☐ ☐
Cellular/mobile phone ☐ ☐
Compact satellite phone ☐ ☐
The Internet/other on-line services:
- for business and finance information ☐ ☐
- for general information ☐ ☐

Have you ever bought goods/services through the Internet? Yes ☐ No ☐

20 - Which, if any, of the following publications do you read regularly (at least 3 out of 4 issues)?
Financial Times ☐ The Economist ☐
USA Today ☐ The European ☐
The Asian Wall Street Journal ☐ Far Eastern Economic Review ☐
The Wall Street Journal Europe ☐ Newsweek ☐
BusinessWeek ☐ Time ☐

21 - Which, if any, of the following have you done in a business or personal capacity in the last twelve months?
Acted as adviser to another company ☐
Been interviewed on TV, radio or by the press ☐
Had an article, paper or book published ☐
Set on an industrial/professional committee ☐
Lobbied or advised members of national/local government ☐
Been involved in an environmental/conservation/animal welfare group ☐

YOUR WORK...

22 - Are you currently:
Working full/part time ☐ A student ☐
Not in paid employment/other ☐ Retired ☐

23 - What is your job title or position?
Owner/Partner ☐ Politician/Government Minister ☐
Chairman/President/CEO ☐ Diplomat/Senior Government Official ☐
Managing Director ☐ Medical ☐
Vice President ☐ Legal ☐
General Manager ☐ Education ☐
CFO/Finance Director/Treasurer ☐ Clerical position ☐
Department Head ☐ Other job/position ☐
Consultant ☐ (WRITE IN)
Other senior position ☐
Other Director/Manager ☐

24a - What is the main activity of your organization?
Manufacturing/engineering ☐ Computing ☐
Primary industry/utilities ☐ Telecommunications ☐
Construction ☐ Other business services ☐
Wholesale/retail ☐ Education ☐
Travel/tourism/transportation ☐ Medical ☐
Publishing/printing/broadcasting ☐ Legal ☐
Banking ☐ Government/diplomatic ☐
Other financial services ☐ Other (WRITE IN)

24b - For those of you working in the financial sector, which of the following best describes your job function?
Financial Analyst ☐
Portfolio Manager ☐
Investment Department Head ☐
Other (WRITE IN)

25 - How many people does your organization employ?
Country of residence World-wide
Under 10 ☐ ☐
10-49 ☐ ☐
50-99 ☐ ☐
100-249 ☐ ☐
250-499 ☐ ☐
500-999 ☐ ☐
1000-4999 ☐ ☐
5000+ ☐ ☐
Does not operate outside your country of residence ☐

26 - Please indicate for which of the goods or services listed below you are wholly or partly responsible for your company's decisions to purchase, lease or change suppliers?
Desktops/PCs ☐ Other financial services ☐
Software ☐ Business services ☐
Network systems ☐ Company vehicles ☐
Telecom systems/equipment/services ☐ Corporate/business aircraft ☐
Other office equipment/technology ☐ Conferences/trade fairs/exhibitions ☐
Commercial banking services ☐ International courier/freight services ☐
Investment banking services ☐ Part and equipment/raw materials ☐
Corporate investments ☐ Bus. premises/industrial site selection ☐

27 - Do you have international responsibilities in your job?
Yes ☐ No ☐

ABOUT YOU...

28 - I am: Male ☐ Female ☐

29 - Age:
Under 25 ☐ 35-44 ☐ 55-64 ☐
25-34 ☐ 45-54 ☐ 65+ ☐

30 - How many children do you have either living at home or away from home (but for whom you are financially responsible)?
a) aged under 15 ☐ None ☐ One ☐ Two ☐ Three ☐ Four or more ☐
b) aged 15 or over ☐ ☐ ☐ ☐ ☐

31 - Which country do you currently live in?
WRITE IN

32 - How long have you been living in your country of residence?
Less than 1 year ☐ 2-5 years ☐ 10 years+ ☐
1-2 years ☐ 5-10 years ☐

33 - Which country are you a Citizen/National of?
WRITE IN

34a - Which level are you educated to:
Doctorate ☐ Standard university level ☐
MBA ☐ Secondary/high school level ☐
Higher university degree level ☐

34b - Are you currently studying for an MBA? Yes ☐ No ☐
Do you have any plans in the future to study for an MBA? Yes ☐ No ☐

35 - Approximate household income (pre-tax) in US\$ from all sources:
Up to \$30,000 ☐ \$150,000 to under \$200,000 ☐
\$30,000 to under \$50,000 ☐ \$200,000 to under \$300,000 ☐
\$50,000 to under \$100,000 ☐ \$300,000 to under \$500,000 ☐
\$100,000 to under \$150,000 ☐ \$500,000 and over ☐
Or, write in own currency:

36 - Which, if any, of the following categories of personal investments and financial services do you have or use?
Life insurance ☐ Gold/precious metals ☐
Private banking ☐ Commodities ☐
Private pension plan ☐ Foreign currency ☐
Stocks or bonds ☐ Property/real estate (wholly owned) ☐
Government securities ☐ Collectibles (art, antiques, coins, stamps) ☐
Funds/unit trusts ☐

In order to be eligible for the prize drawing*, please write in your full name and address in the space provided.
Title: Mr/Mrs/Miss/D/Prof. ☐ Other ☐
First Name Family Name
Address

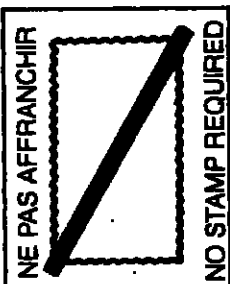
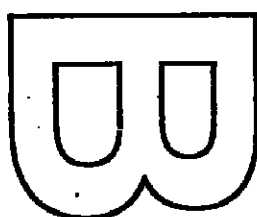
Postal Code City/Town Country
Telephone no.
E-mail address

The IHT frequently seeks to conduct surveys amongst its readers for purposes of editorial and commercial development. If you do not wish to be contacted in the future please check the box below. We can assure all respondents to this questionnaire that their names and addresses will not be used for any purpose, nor passed on to any third parties, other than for IHT research, and only then with their permission.

I do not wish to participate in further IHT surveys over the next 18 months. ☐

Thank you for your cooperation. Now simply follow the folding instructions on the reverse of the questionnaire and please post it.

*Valid where legal.



**REPONSE PAYEE
GRANDE-BRETAGNE**

EUROPEAN DATA & RESEARCH LTD.
8 FRIDAY STREET
HENLEY-ON-THAMES
OXON.
GREAT BRITAIN
RG9 1ZY

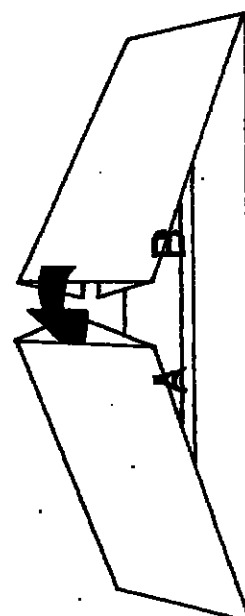
By air mail
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IBRS/CCRI NUMBER: PHQ-D/4764/RG
IF OUTSIDE UK PLEASE AFFIX STAMP

L

FOURTH FOLD

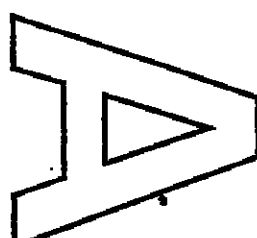
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First fold to Fourth fold.
Then tuck Flap B into Flap A.



THIRD FOLD

FIRST FOLD

SECOND FOLD



Hotel Chief Ties to Aerospatiale

PARIS (AP) — A hotel chief, who has been accused of having a close relationship with the French aerospace giant Aerospatiale, is being investigated by French authorities.

The investigation is part of a broader probe into the company's financial dealings and its relationship with the French government.

The hotel chief, who is a member of the French parliament, is accused of having received a large sum of money from Aerospatiale in exchange for a contract to build a new hotel.

The investigation is being led by the French prosecutor general, who is also looking into the company's financial records and its relationship with the French government.

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WORLD STOCK MARKETS

Friday, Aug. 31

Index	Value	Change
NYSE Composite	2,145.12	+1.12
NASDAQ	1,125.12	+0.12
London	2,145.12	+1.12
Hong Kong	1,125.12	+0.12
Singapore	1,125.12	+0.12
Manila	1,125.12	+0.12
Batavia	1,125.12	+0.12
Calcutta	1,125.12	+0.12
Rangoon	1,125.12	+0.12
Colombo	1,125.12	+0.12
Delhi	1,125.12	+0.12
Mumbai	1,125.12	+0.12
Kolkata	1,125.12	+0.12
Chennai	1,125.12	+0.12
Bangalore	1,125.12	+0.12
Hyderabad	1,125.12	+0.12
Pune	1,125.12	+0.12
Jaipur	1,125.12	+0.12
Udaipur	1,125.12	+0.12
Vijayawada	1,125.12	+0.12
Tirupathi	1,125.12	+0.12
Madurai	1,125.12	+0.12
Coimbatore	1,125.12	+0.12
Salem	1,125.12	+0.12
Tirunelveli	1,125.12	+0.12
Thiruvananthapuram	1,125.12	+0.12
Trichy	1,125.12	+0.12
Chennai	1,125.12	+0.12
Bangalore	1,125.12	+0.12
Hyderabad	1,125.12	+0.12
Pune	1,125.12	+0.12
Jaipur	1,125.12	+0.12
Udaipur	1,125.12	+0.12
Vijayawada	1,125.12	+0.12
Tirupathi	1,125.12	+0.12
Madurai	1,125.12	+0.12
Coimbatore	1,125.12	+0.12
Salem	1,125.12	+0.12
Tirunelveli	1,125.12	+0.12
Thiruvananthapuram	1,125.12	+0.12
Trichy	1,125.12	+0.12

NASDAQ

Monday's 4 P.M. Close									
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year. The Associated Press.									
Symbol	Company	Price	Change	Volume	Symbol	Company	Price	Change	Volume
AA	Amgen Inc.	114.25	+0.75	1,200,000	MSFT	Microsoft Corp.	56.125	+0.125	1,100,000
ABX	Abex Corp.	14.50	+0.25	100,000	NVDA	NVIDIA Corp.	24.50	+0.50	1,000,000
AC	Amgen Inc.	114.25	+0.75	1,200,000	ORCL	Oracle Corp.	24.50	+0.50	1,000,000
AD	Amgen Inc.	114.25	+0.75	1,200,000	PEP	PepsiCo Inc.	24.50	+0.50	1,000,000
AE	Amgen Inc.	114.25	+0.75	1,200,000	PG	Procter & Gamble Co.	24.50	+0.50	1,000,000
AF	Amgen Inc.	114.25	+0.75	1,200,000	QCOM	Qualcomm Inc.	24.50	+0.50	1,000,000
AG	Amgen Inc.	114.25	+0.75	1,200,000	SBUX	Starbucks Corp.	24.50	+0.50	1,000,000
AH	Amgen Inc.	114.25	+0.75	1,200,000	SNOW	Snowflake Labs Inc.	24.50	+0.50	1,000,000
AI	Amgen Inc.	114.25	+0.75	1,200,000	SPY	SPDR S&P 500	24.50	+0.50	1,000,000
AL	Amgen Inc.	114.25	+0.75	1,200,000	TSLA	Tesla Motors Inc.	24.50	+0.50	1,000,000
AM	Amgen Inc.	114.25	+0.75	1,200,000	UNH	UnitedHealth Group Inc.	24.50	+0.50	1,000,000
AN	Amgen Inc.	114.25	+0.75	1,200,000	VZ	Verizon Communications Inc.	24.50	+0.50	1,000,000
AO	Amgen Inc.	114.25	+0.75	1,200,000	WMT	Walmart Inc.	24.50	+0.50	1,000,000
AP	Amgen Inc.	114.25	+0.75	1,200,000	XOM	Exxon Mobil Corp.	24.50	+0.50	1,000,000
AQ	Amgen Inc.	114.25	+0.75	1,200,000	YHOO	Yahoo! Inc.	24.50	+0.50	1,000,000
AR	Amgen Inc.	114.25	+0.75	1,200,000	ZTS	Zurich American Corp.	24.50	+0.50	1,000,000
AS	Amgen Inc.	114.25	+0.75	1,200,000					
AT	Amgen Inc.	114.25	+0.75	1,200,000					
AV	Amgen Inc.	114.25	+0.75	1,200,000					
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BM	Amgen Inc.	114.25	+0.75	1,200,000					
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BP	Amgen Inc.	114.25	+0.75	1,200,000					
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BR	Amgen Inc.	114.25	+0.75	1,200,000					
BS	Amgen Inc.	114.25	+0.75	1,200,000					
BT	Amgen Inc.	114.25	+0.75	1,200,000					
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BW	Amgen Inc.	114.25	+0.75	1,200,000					
BX	Amgen Inc.	114.25	+0.75	1,200,000					
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BZ	Amgen Inc.	114.25	+0.75	1,200,000					
CA	Amgen Inc.	114.25	+0.75	1,200,000					
CB	Amgen Inc.	114.25	+0.75	1,200,000					
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CD	Amgen Inc.	114.25	+0.75	1,200,000					
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Sakura and LTCB Ask for Cash Injection

Meanwhile, Katsumobu Onogi, president of Long-Term Credit, told Parliament that Japan's ninth-largest bank would not be able to survive without taxpayer money. He said that if the bank were allowed to fail, "it would damage the entire society and the economy tremendously."

The bank is seeking help from the government as it prepares to dispose of 750 billion yen in bad and risky debt in September. The bad-loan write-off and public funding are intended to clear the way for a proposed merger with Sumitomo Trust & Banking Co., which asked that Long-Term Credit dump its bad loans.

(AFP, Bloomberg)

■ **Factory Output Slips in July**

Production at Japan's factories and mines in July slipped 0.8 percent from June, the Ministry of International Trade and Industry said Monday, according to a dispatch from The Associated Press. A month earlier, output rose 1.7 percent, the first gain in four months.

Mr. Onogi speaking Monday to a parliamentary panel in Tokyo.

The Associated Press
SEOUL — Creditors have failed to auction off Kia Motors Tuesday. Yonhap said the creditors were likely to invite new bids.

The Bank of Korea said it would cut the rate — what it charges banks for loans backed by securities — to 3 percent from 5 percent, effective Tuesday.

At the central bank, officials said they would interest banks and encourage banks to lend to small and midsize companies, many of which are struggling because of the economic slump.

BANGKOK — The Bank of Thailand said Monday that the economy showed no visible signs of recovery despite sustained surpluses in trade and current accounts.

The central bank said the manufacturing production index fell 16.4 percent in the first half, in contrast with growth of 7.2 percent in the first six months of 1997.

The government has predicted that the economy will contract 7 percent this year, its worst performance in several decades. Private analysts expect gross domestic product to contract by as much as 10

Exports fell 3.1 percent from June 1997 in dollar terms, the fifth monthly decline in the past six months, but narrower than the 11.9 percent decline in May.

Deputy Prime Minister Bhisak Ratakul said the \$367 million had been found in a Defense Ministry account at the Federal Reserve Bank of New York.

Investor's Asia

Hong Kong
Hang Seng

M A M J J A
1996

Singapore
Straits Times

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1998

Tokyo
Nikkei 225

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Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,205.04	7,828.74	-7.06
Singapore	Straits Times	858.43	885.28	-3.26
Sydney	All Ordinaries	2,490.70	2,516.90	-1.44
Tokyo	Nikkei 225	14,107.89	13,915.63	+1.38
Kuala Lumpur	Composite	Closed	302.91	
Bangkok	SET	214.53	218.85	-1.97
Seoul	Composite Index	310.16	304.79	+1.76
Taipei	Stock Market Index	6,550.11	6,735.92	-2.78
Mumbai	PSE	1,192.25	1,194.71	-0.21
Jakarta	Composite Index	342.44	338.02	+1.01
Wellington	NZSE-40	1,827.56	1,847.73	-1.08
Bombay	Sensitive Index	2,933.65	2,908.10	+0.89

Source: Reuters (March 14, 1998)

• Singapore stocks fell, with the new Straits Times index tumbling 3.3 percent to an 11-year low, amid concern that Malaysia will impose capital controls. The index, whose components were changed over the weekend, fell 28.83 points, to 856.43, in its debut.

● Moody's Investors Service Inc. lowered the ratings of China International Trust & Investment Corp., known as CITIC, and six other government-run international trust and investment corporations — those of Fujian, Guangdong, Shanghai, Shandong, Shenzhen and Tianjin. CITIC's long-term foreign currency debt rating was cut to Baa2 from Baa1, and the Special strength rating was cut to D from D+. The

● **Australia's** trade deficit in goods and services narrowed in July to 797 million Australian dollars (\$450.3 million) from a record 805 million Australian dollars in June.

• **Brierley Investments Ltd.**'s chairman, Roger Douglas, will step down, bowing to pressure from the New Zealand-based investment company's biggest shareholder, Cumerlin Group Bhd. of Malaysia, amid a decline in Brierley stock.

- China started work on a 4.5 billion yuan (\$\$43.5 million) rail link between the island province of Hainan and the mainland, part of its plan to keep economic growth strong through huge infrastructure spending.

• **Japan's motor vehicle exports in July fell 5.8 percent from a year earlier, to 403,732 vehicles, pressured by the economic doldrums in Asia. The value of exports, including auto parts declined 8.6 percent, to \$6.83 billion.**

PT Indah Kiat Pulp & Paper Corp. of Indonesia, a unit of Asia Pulp & Paper Co., said second-quarter profit fell 1 percent, to \$56.7 million, as it was forced to cut prices. The company reports in dollars because all of its sales are denominated in that currency. *AFP, Bloomberg, Reuters*

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan's central bank on Monday warned international speculators, including the U.S. financier George Soros, not to bet against financial markets on the island, officials said Monday.

The central bank is keeping a close watch on the domestic foreign exchange market and would deliver a hard blow to any speculators, said George Chon, director of the central bank's foreign exchange department.

However, Mr. Chou was quoted by the state-run Central News Agency as saying there was no concrete evidence of Mr. Soros speculating in Taiwan as of now.

Separately, Taiwan's central bank Monday again rejected the use of foreign exchange reserves to shore up the stock market. (AFP, Reuters)

Continued from Page 11 a new report by an economist at China has promised not to dev

equity and currency" support, he said. If that is true, the government's bill for the last two weeks may be as high as \$25 billion.

If it should run through another big chunk of its reserves in defense of the currency peg, the government might be left with only two options, some analysts say: a devaluation, which it has repeatedly ruled out, or the scrapping of the Hong Kong dollar.

The latter option, known as dollarization and adopted in Panama and several other small countries, has been gaining support among brokerage firms that see disaster in the continuing high interest rates and the many corporates that have U.S. dollar debts and Hong Kong dollar or yuan earnings," it said. Hong Kong "could then avoid the whirlwind of devaluation and mass bankruptcy."

Mr. Tao added that foreign investors might feel better about buying the most pragmatic government in the world," Mr. Tao said. But with the alternative of mass bankruptcies and a shaky banking system, China could easily learn to be a dollarized Hong Kong as the harmful of its options for the

The main advantage of dollarizing is that banks would have the confidence to lend money at something close to U.S. rates, because local

companies would no longer be borrowing U.S. dollars at the same time that they were earning money in a vulnerable local currency.

The status quo threatens a meltdown in the banking system, argues

Personals

SACRED Heart of Jesus, St. Jude, worker of miracles and helper of the hopeless, thank you for prayers answered. D.V.

Announcements

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WORLD ROUNDUP

Coach Found Guilty

SWIMMING A former East German doctor and a swimming coach who admitted giving performance-enhancing drugs to young female swimmers were convicted Monday of causing bodily harm and fined.

It was the second verdict in cases dealing with the use of anabolic steroids in the former communist country in the 1970s.

The three doctors and two coaches sentenced so far have avoided prison terms. All five admitted administering the drugs. Proceedings are continuing against coaches and doctors who have stayed silent on the charges.

The Berlin state court fined Rolf Glaeser, who coached Dynamo Berlin, 7,200 Deutsche marks (\$4,000). Dieter Binnus, the team doctor, was fined 9,000 DM. (AP)

Spinner Destroys English

CRICKET Muralitharan took seven more English wickets Monday as Sri Lanka won the one-off test by 10 wickets. Muralitharan finished with nine wickets in England's second innings and 16 wickets in the match. It was the fifth-best match haul in test cricket history.

David Lloyd, the England coach, criticized Muralitharan's "unorthodox action" on Sunday, implying that his bowling motion was illegal. The criticism rebounded Monday as England's batsmen failed against Muralitharan. Only Alec Stewart, the captain, escaped. He was run out. England was all out for 181. Sri Lanka scored the 36 it needed in five overs. (Reuters)

Bears Release Mirer

FOOTBALL The Chicago Bears cut the quarterback Rick Mirer, the No. 2 pick in the 1993 National Football League draft, on Sunday. The Bears traded a first-round draft pick to Seattle for Mirer last season and signed him to a \$10 million contract. But he lost the starter's job to Erik Kramer. (AP)

Ivanisevic Is 'Perfect' As He Avoids Upset

But Seeded Berasategui Falls to Muster

Compiled by Our Staff From Dispatches

NEW YORK — Goran Ivanisevic got past a big hurdle Monday, the opening round of the U.S. Open.

In the last five years, I've made one semifinal and four first rounds," Ivanisevic said after stopping Mark Woodforde of Australia, 6-3, 6-4, 6-4, in the opening match at Arthur Ashe Stadium.

"Today was perfect," Ivanisevic, a who is seeded 14th, reached the semifinals in 1996 but lost in the first round in 1994, '95 and '97.

In other matches Alberto Berasategui became the first seed to fall and Peter Sampras breezed through to the second round.

Berasategui, one of four Spaniards seeded in the men's draw, lost a battle of clay-court, falling to Thomas Muster, a former world No. 1, 7-6 (7-1), 6-2, 6-3.

"Not bad. It was all right," Muster said. "He got a little tired and made some unforced errors in the second and third sets."

Ivanisevic pounded 23 aces in the match between left-handers, time and again catching Woodforde, one of the world's top doubles players, leaning the wrong way.

Even Ivanisevic's erratic ground game was impeccable under the bright, hot sun, as he struck 49 winners to 23 by Woodforde.

"If I can continue to serve like this, great," Ivanisevic said. "The court has never been faster."

Festering bad blood between Ivanisevic and Woodforde surfaced during and after the match.

Woodforde hit Ivanisevic in the back with an overhead slam midway through the second set and then the veteran Australian doubles specialist said afterward he didn't much like the way Ivanisevic played.

Woodforde said Ivanisevic had yet to prove he can win a Grand Slam title.

"I have yet to see him serve an entire Grand Slam tournament as well as that," Woodforde said. "He may come out and find his shoulder sore or something like that."

"He's a contender to be alive deep in the second week. I just think maybe the occasion would outweigh his chances of winning, that he hasn't won a Grand Slam and he really wants to win one. Better opponents than me that can return better can give him problems later in the tournament."

Ivanisevic suggested that Woodforde's exit here should also mark his farewell as a singles player.

"I think it is time for him to retire in singles," Ivanisevic said of the 32-year-old Woodforde. "He is pretty old, he can't move."

"If I have son, I just show a picture of Woodforde and [say] you can't play tennis like him."

Ivanisevic said he is haunted by his five-set loss in the Wimbledon final last month to Sampras when he failed on two set points in the second set.

"Even now sometimes I think about it when I am alone," Ivanisevic said. "When I hit a good return then I think, 'Why didn't I hit it like that in the two set points?'" Ivanisevic said. "I try to do anything just not to think about it, but it is not easy sometimes. Pictures are coming back."

Sampras began his pursuit of a record-tying 12th Grand Slam singles title by beating Marc Goellner of Germany, 6-3, 6-2, 6-2.

Sampras served 11 aces, the fastest at 131 miles (210 kilometers) per hour, to dispatch Goellner in 84 minutes.

Patrick Rafter, the reigning champion, was scheduled to start his defense Tuesday. Rafter completed his preparations Sunday by winning the Hamlet Cup, his fourth tournament victory this summer.

Patrick Rafter beat Felix Mantilla, 7-5 (7-3), 6-2, to win the Hamlet Cup in suburban New York.

"Physically, I'm more refreshed and



Gustavo Kuerten serving Monday as he beat Noam Behr, 4-6, 6-4, 6-3, 6-4.

a lot more relaxed for the U.S. Open than I was last year," Rafter said. "I don't have to prove anything. My record this summer speaks for itself. I'm going into the tournament with a lot more confidence and a stronger mental attitude."

In the women's singles, Patty Schnyder of Switzerland, seeded No. 11, advanced with a 7-6 (7-5), 7-5 victory over Yuka Yoshida of Japan. Ai Sugiyama, the No. 16 seed from Japan, beat Ruxandra Dragomir of Romania, 6-1, 6-2. (Reuters, AP, AFP)

Indonesian Celebrates After Losing To Thailand

Compiled by Our Staff From Dispatches

An Indonesian striker scored an own goal Monday to give Thailand a 3-2 victory it did not want in a bizarre Tiger Cup match in Ho Chi Minh City.

Both teams had said before the game that they did not want to win. Victory meant a semifinal match against host Vietnam in Hanoi on Wednesday, National Day. Indonesia, the loser, will stay in Ho Chi Minh City to play Singapore.

The referee did not have to blow his whistle in the first half and neither team made a serious attack on goal. The fans began to leave after 20 minutes. At halftime the coaches were called before the match commissioner, Tan Eng-yoon.

The talk seemed to have an effect. Indonesia scored. Thailand equalized. Indonesia went ahead again. A minute from time, Thailand equalized again.

Then Indonesian players kept possession on the edge of their own penalty area. As the final seconds ticked by Mursyid Effendi thumped the ball into his own net and turned to celebrate.

"This is the first time as a coach that I have seen a team play like this," said Rudy Bahawan, the Indonesia coach. "And I'm ashamed."

Rijkard Takes Over Dutch

Frank Rijkard was appointed coach of the Dutch national team Monday, Agence France-Presse reported from Zierikzee, Netherlands.

Rijkard, a defender and midfielder, played on European Cup-winning teams at AC Milan and Ajax Amsterdam. He played in the Dutch team that won the European Championship in 1988. He succeeds Guus Hiddink, who resigned to coach Real Madrid after guiding the Dutch to the World Cup semifinals.

Rijkard, 35, was born in Suriname. He was Hiddink's assistant at the World Cup. He will be in charge at least until Euro 2000, which the Dutch will co-host.

New Coaches Kick Off (Reboot?) Quest for First High-Tech Title

New York Times Service

NEW YORK — They want you to believe that this is the year college football rushes into the future, when quaffles and adjusted deflections get swirled with the quaint, old-fashioned polls to crown an undisputed national champion.

They want you to believe that the coaching couch line — 13 new faces are popping up in Division I-A jobs — will give the 1998 season a saucer beat.

And they want you to believe that this is really the year of the quarterback, even though Peyton Manning and Ryan Leaf have moved on to the National Football League. Cade McNown at UCLA, Daunte Culpepper at Central Florida, Tim Couch at Kentucky, Michael Bishop at Kansas State, Corby Jones of Missouri and Donovan McNabb at Syracuse should ensure that there are plenty of quarterbacks.

Who are they? Conference commissioners, coaches, writers, television pundits and, most important, fans. The beauty of college football endures because there is no league office, no catchy marketing slogan, no free agency or playoff structure to encroach on the mystery of who is the best team.

"It's all a mystery; that's why you line them up and play them," said Joe Paterno, the Penn State coach who is two victories away from becoming the sixth college coach to win 300.

The usual suspects should contend for the national title: Nebraska, Florida State, Florida, Michigan and Ohio State. But the Bowl Championship Series has been concocted to pick two of them for a true No. 1-against-No. 2 bowl game, on Jan. 4 at the Fiesta Bowl.

To do so, the conference commissioners have come up with a math-

ematical formula that is entertaining, confusing and ultimately as fallible as the news media and coaches' polls, which determined previous champions.

On the coaching front, Mack Brown moves from North Carolina to Texas. Paul Hackett goes from National Football League offensive coordinator at Kansas City to USC, where he won his first game, the Pigskin Classic, 21-17, against Purdue on Sunday.

But only one new coach matters: Frank Solich at Nebraska, which has won outright or split the national championship in three of the last four years. He is a 53-year-old rookie head coach who spent 19 years as a Cornhusker assistant under Tom Osborne.

While there is a brigade of electrifying quarterbacks, none is more intriguing than the starter at Florida State, Chris Weinke, a 26-year-old who failed as a baseball minor leaguer.

Finally, toss in a wide-open Heisman Trophy race that is notable for its unheralded field, which is headed by the Texas running back Ricky Williams. He sports dreadlocks, but fashions himself after such old-timers as Doak Walker of Southern Methodist and another Longhorn, Earl Campbell — the 1948 and 1977 Heisman winners.

Computing Who's No. 1

The Bowl Championship Series grew from the bowl alliance and was made possible when the Big Ten and Pacific 10 conferences, along with the Rose Bowl, agreed to take part. In theory, never again will an undefeated Michigan team and an undefeated Nebraska team each win a national championship, as was the case last year — the Wolverines finishing No. 1 in The Associated Press poll, and the Cornhuskers finishing on top of the USA Today/ESPN coaches' poll.

The goal is simple: to match the two best teams in a title game, which will rotate among the Sugar, Orange, Fiesta and Rose bowls. The method is not simple. It will factor in the coaches' and news media polls, three sets of computer rankings, team records and the strength of their schedules.

Even those most affected — the coaches — do not always understand the system. John Cooper, coach of both polls' preseason No. 1 choice, Ohio State, opts for blind faith. "Any system where No. 1 and No. 2 meet on the field in the last game, I'm all for it."

Bobby Bowden, whose Florida State team is the preseason polls' second pick, embodies a prevalent confusion. First he said the system left no margin for error, then, remembering the 1993 title the Seminoles won despite a regular-season loss to Notre Dame, he decided, "Maybe you get room for one error."

Finally, he gave up. "I guess the thing is you only have to be No. 2 after the season," he said. "Shoot, I guess this is the best we're going to get."

If the computers compute correctly and the voters vote with care, there remains only one way to guarantee an unimpeachable national title game: two teams, and only two, need to go unbeaten and untied, as has happened in five of the last seven seasons. If three teams end with perfect regular-season records, which has happened three

times since 1979, the debate is reopened. If one team is perfect while two others have one loss, the discussion turns to who is the true No. 2.

"Is this a perfect system?" asked Roy Kramer, commissioner of the Southeastern Conference and chairman of the championship series. "There is no perfect system."

Nebraska Coach on the Spot

In Nebraska, saying that there is no perfect system would be considered blasphemous. Frank Solich knows that. Like the Nebraska fans who slap his back a little harder now on the streets of Lincoln, Solich believes that the Cornhusker program is as flawless as any involving pads and helmets. He played fullback under one Nebraska coaching legend and learned the system as an assistant alongside another.

In 11 seasons, Bob Devaney won 101 games and two national titles. Over 25 years, Tom Osborne won 255 games and three national titles. So what is expected from Solich now that he has inherited the defending co-national champions, even though it is a team that has lost a starting quarterback and I-back and returns only one offensive lineman?

"Some people may have 8-3 expectations, but I haven't run into any of them," Solich said in his characteristic monotone. "When people stop me on the street, they don't ask me how we'll do, they tell me."

Solich was given a year to prepare. In July 1997, Solich said, Osborne knocked on his door and asked for a minute. "He told me he was going to retire and I'd be the next coach," Solich recalled. "We talked about when he would announce it. He asked me not to mention it to anyone."

The whole thing took 10 minutes." "Nebraska doesn't change," Solich said. "We have not tried to be trendy. We know our offense. We know what we need to get done."

From Diamond to Gridiron

He is a 6-5, 225-pound sophomore who speaks in the measured tones of an investment banker. He hit .248 over six minor league seasons as a first and third baseman, but when the Toronto Blue Jays asked him to move to catcher, he had another position in mind. So Chris Weinke called Bobby Bowden.

Back in 1990, the Florida State coach had thought enough of Weinke, a high school All-American, to sign him as the team's only quarterback prospect. Then the Blue Jays called and offered \$400,000. Bowden did what he always does when baseball steals a player: he told the kid he would hold his scholarship in case he changed his mind.

"You know, when I said that I was thinking that if he changed his mind within two years, we'd have a scholarship for him," Bowden said, laughing. "Not six years. I'd already forgotten about him when he finally called again."

When Weinke returned to school last season, he admits, he was far more comfortable in coaches' meetings than in the locker room.

The coach recognizes that Weinke's maturity will be vital to a young team. Weinke only mopped up in a few games last year, but he impressed Bowden with long hours in the film room.

"He is a professional," Bowden said. "He got six years of pro ball behind him. It's not football. But I don't know if anybody has as much pressure as a guy



Paul Hackett, the new USC coach, celebrating a touchdown in a season-opening victory over Purdue.

does standing in that box trying to hit the fastball with the bases loaded."

When asked the difference between Weinke and the other Seminoles, the running back Travis Minor said, "The rest of us are broke."

Weinke, a Minnesota native, said he had invested his bonus wisely. Asked whether he was a millionaire, as rumored in the locker room, Weinke smiled and said teasingly, "I might be close."

His biggest investment, however, may have been in breaking through the generation gap with his young teammates. He stayed in Tallahassee over the summer and organized throwing and running drills. He recently took his entire receiving corps out to dinner at a seafood restaurant. The offensive line, which averages 314 pounds, will be his next guests.

Where will he take them? "To an all-you-can-eat buffet," he said, demonstrating the old guy's wisdom he brings to his new game.

SCOREBOARD

BASEBALL			
MAJOR LEAGUE STANDINGS			
AMERICAN LEAGUE			
EAST DIVISION			
Team	W	L	Pct.
New York	78	72	.521
Boston	79	55	.590
Toronto	71	66	.518
Baltimore	69	67	.507
Texas	53	82	.393
CENTRAL DIVISION			
Team	W	L	Pct.
Cleveland	64	73	.467
Kansas City	61	76	.443
Chicago	61	76	.443
Minnesota	59	78	.432
Detroit	52	84	.382
WEST DIVISION			
Team	W	L	Pct.
Anheim	78	72	.521
Texas	72	64	.529
Oakland	62	74	.450
Seattle	52	84	.382
NATIONAL LEAGUE			
EAST DIVISION			
Team	W	L	Pct.
Atlanta	70	67	.510
New York	75	62	.547
Philadelphia	66	71	.482
Florida	61	76	.443
CENTRAL DIVISION			
Team	W	L	Pct.
Houston	68	57	.547
Chicago	65	72	.476
Cincinnati	64	73	.467
Pittsburgh	64	72	.471
St. Louis	62	74	.452
WEST DIVISION			
Team	W	L	Pct.
San Diego	68	67	.508
San Francisco	73	62	.541
Los Angeles	68	67	.508
Colorado	63	75	.452
Arizona	53	84	.382

NATIONAL LEAGUE			
WEST DIVISION			
Team	W	L	Pct.
Florida	70	67	.510
St. Louis	68	67	.508
San Francisco	68	67	.508
San Diego	68	67	.508
Los Angeles	68	67	.508
Colorado	63	75	.452
Arizona	53	84	.382
CENTRAL DIVISION			
Team	W	L	Pct.
Atlanta	70	67	.510
New York	75	62	.547
Philadelphia	66	71	.482
Florida	61	76	.443
EAST DIVISION			
Team	W	L	Pct.
Atlanta	70	67	.510
New York	75	62	.547
Philadelphia	66	71	.482
Florida	61	76	.443

—12	W.—Petersburg, 7-4. L.—DeMarines, 3-6.
—10	S.—Sawyer (6), Hys—Adams, Calhoun 2-2.
—10	(2), J. Lopez (3), A. Jones (2), S. LaSalle
—10	McGuire (55).
—10	McIntosh 0-0 0-0 1-2-3 8 0
—10	0-0 0-0 0-0 2-2 7 11 1
—10	Karl, Patrick (5). De las salas (2), W. Wick-
—10	man (2) and Matthews (2)Sawyer, Embree
—10	W. B. White (2), Olson (7) and Miller.
—10	S.—Sawyer (6), Hys—Adams, Calhoun 2-2.
—10	Arzono, D. Williams (2), M. Williams (18).

FOOTBALL

LEADING COLLEGE SCORES

USC 27, Purdue 17

CRICKET

INDONESIA VS SRI LANKA

ONE-DAY TEST SERIES

1-1

WICKET BY LONDON

1-1

ENGLAND: 445 AND 181

1-1

SRI LANKA: 357 AND 37-4.

1-1

SRI LANKA WENT BY 10 WICKETS.

GOLF

WORLD SERIES OF GOLF

First Round Sunday of \$2.25 million NEC

World Series of Golf of 7,139-year, par-70

Firestone Country Club's South course in

Phil, Michigan (U.S. unless stated)

David Dowd 65-64-64-68-269

Phil Mickelthorp 64-71-64-68-261

Dave Love 71-69-67-65-272

John Cook 71-69-67-65-272

John Cook 71-69-67-65-272

John Cook 71-69-67-65-272

Tiger Woods 71-69-67-65-272

John Dornall 71-69-67-65-272

Drew Cotter 71-69-67-65-272

SPORTS

Once Again, McGwire Answers the Challenge

Slugger Clubs 55th After Cub Ties Him at 54

By Ira Berkow
New York Times Service

ST. LOUIS — Mark McGwire and Sammy Sosa have turned the home run chase into a game of cat and mouse.

Sosa, of the Chicago Cubs, homered Sunday afternoon to tie McGwire for the home run lead, at 54, only to have McGwire—almost exactly seven hours later—blast one out of Busch Stadium.

The seventh-inning hit off Dennis Martinez, the Braves' right-handed relief pitcher, traveled an estimated 500 feet (152 meters) to dead center field.

Not only did McGwire take sole possession of the home run lead with 55, but he also gave the Cardinals an 8-7 lead in the game, as there were two runners on base when he struck the blow. The lead stood up as the Cardinals took the final game of their series with the Braves.

McGwire also drew closer to catching Roger Maris' single-season record of 61 homers, set in 1961. McGwire has 26 games left in the season, Sosa has 25. Sosa has moved to within a home run or two of McGwire several times in the last few weeks—after McGwire held the lead for virtually the entire season—and even went ahead once when the two teams played in mid-August. But each time Sosa closes in, McGwire unloads.

In Chicago, on Aug. 19, Sosa went one ahead of McGwire, only to have the Cardinals hit two in the same game to regain the lead. Sosa hit his 52d homer in an afternoon game Wednesday against the Reds, and McGwire responded with his 54th, against the Marlins, that night.

"It feels good to come back and win a game, feels even better doing it against one of the best teams in the National League," McGwire said Sunday.

As for Sosa, McGwire said, "I can only take care of myself." He added, "I don't see the homer thing as a challenge between me and Sammy. You don't get an Oscar at the end of the season."

But he knows the stakes, of course. It is for the most heralded record in American sports. "What a great year, what a historical year," he said. "Wouldn't that be something if both Sammy and me hit



Chasing the Record

Home run tally for two contenders to break the season record of 61 homers set in 1961 by Roger Maris (left).

MARK MCGWIRE

55 3-for-3 with one homer vs. Atlanta on Sunday
Maris through 136 games: 53

SAMMY SOSA

54 1-for-3 with one homer vs. Colorado on Sunday
Maris through 137 games: 53

Sosa Drills One Off Scoreboard In Brief Catch-Up

By Bill Dedman
New York Times Service

DENVER — Sammy Sosa's 54th homer was a long one. Two Cubs fans, Mike and Karen Bressler, were sitting into the last row at Coors Field when the ball sailed over their heads like a plane taking off for Chicago. The line drive bounced off the scoreboard gutters about four stories above the field, producing a rugby scrum in search of a souvenir.

"One guy had just gotten his hot dogs and fries and everybody ran him over," said Mike Bressler, 41. "There were hot dogs everywhere."

Out of the pile emerged a bruised but glorious T.J. Salvador of nearby Fort Collins, with a Cubs souvenir to match his Cubs shirt. He offered the ball to Sosa after the game, but the slugger let the fan keep it. The Ruthian clout, estimated at 482 feet (146 meters), was the longest home run of the 171 hit so far this year at Coors Field.

In his first-inning at bat, Sosa missed a fastball to fall behind 1-2 in the count. He waited for Darryl Kile's next pitch, a slider that stayed over the plate. "I didn't see where it landed," Sosa said. "I'm just trying to be patient."

The two-run home run drew a devotional ovation from the home crowd of 48,255, and respect from the Colorado players. "It silenced the dugout," said the Rockies' manager, Don Baylor. "No ballpark's going to hold that ball."

The home crowd was disappointed in the finish, a 4-3 Cubs' victory, and also because Sosa hit only one home run. He popped out in the third, struck out swinging in the fifth and walked in the eighth, only to be thrown out trying to steal second.

After the game, Sosa declined to assume the role of favorite to pass Maris, repeating his mantra: "This is the Mark McGwire show. If I get it first, God bless America."

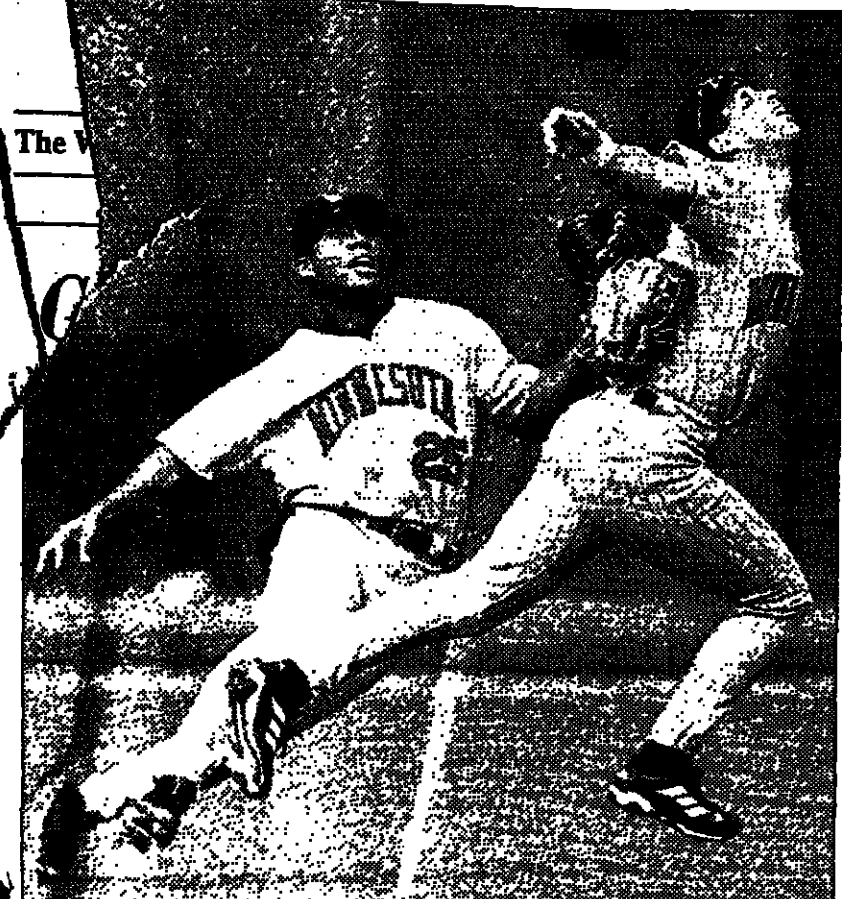
Sosa could cool off and still break the record with ease. He needs a home run in about one out of three remaining games. In the past three months he has hit better than one home run in every two games (45 homers in 84 games, beginning with two May 25). As August proceeded, he stepped up the pace, hitting eight homers in 14 games.

It was Sosa's second home run in six games this year in Colorado, where homers are plentiful. The Cubs and Rockies hit 23 home runs and 164 hits in their six games there. Other homers Sunday came from Gary Gaetti (his 13th) and Jose Hernandez (21) of the Cubs and Larry Walker (20) of the Rockies.

The victory helped the Cubs tie the New York Mets in the National League wild-card race.



Sammy Sosa watching his 54th home run take flight at Coors Field.



Two Twins — Alex Ochoa, an outfielder, left, and Todd Walker, the second baseman — bobbing a pop fly in Toronto. The Blue Jays won, 6-0.

Griffey Hits 46th and 47th As Seattle Routs Yankees

The Associated Press

Ken Griffey, leading the American League, hit his 46th and 47th homers, giving him five in eight games, as Seattle won in a rout at Yankee Stadium.

Griffey, who drove in five runs, gained

AL ROUNDUP

ground on Mark McGwire and Sammy Sosa in pursuit of Roger Maris' home-run record of 61.

A day after the Yankees became the first team to clinch a postseason spot, they looked nothing like a playoff club Sunday. A crowd of 55,341 watched New York fall behind 10-0 in the fifth inning as its four-game winning streak came to an end.

Indiana 9, Athletics 4 In Cleveland, the rookie Richie Sexson hit his first grand slam as the Indians beat Oakland for the first time in 10 games.

Sexson, batting .413 since replacing the injured All-Star first baseman, Jim Thome, hit a shot into the left-field bleachers in the bottom of the seventh inning, his third homer in two days and fifth this season.

White Sox 5, Rangers 3 Jeff Abbott drove in two runs as Chicago beat struggling Todd Stottlemyre and the visiting Texas Rangers.

Abbott hit a sacrifice fly in the third inning and a run-scoring double in the fifth for the White Sox, who have won five of seven games.

Stottlemyre (3-3), acquired from St. Louis on July 31, allowed five runs and six hits over six innings. He has given up 23 runs in 24 1/3 innings in his last five starts.

In games reported in late editions Monday:

Blue Jays 6, Twins 0 Roger Clemens pitched a two-hitter for his third straight shutout and 12th consecutive victory as

Toronto blanked visiting Minnesota. The 36-year-old right-hander is unbeaten in his last 17 starts.

Angels 8, Red Sox 6 Garret Anderson homered and drove in three runs as Anaheim won its second straight series against a possible playoff opponent. The Angels took two of three games at Boston after three of five in New York.

Royals 3, Orioles 2 Kansas City won in Baltimore to complete its first sweep of the Orioles since 1991 and stretch the Orioles' losing streak to seven games.

Devil Rays 10, Tigers 5 Rolando Arjona pitched seven shutout innings for his first win since July 16 and Bobby Smith homered as Tampa Bay won at Detroit.

Phillies, With Help From a Triple Play, Beat Giants

The Associated Press

Curt Schilling was laboring, struggling to finish what he started. Jeff Kent took a swing and hit the ball just about as hard as he could.

The result took them, and a lot of others, by surprise.

Kent's line drive was snared by the shortstop, Alex Arias, starting an eighth-inning triple play that helped Schilling hang on to pitch his major league-leading 13th complete game in Philadelphia's 5-4 victory Sunday over the host San Francisco Giants.

The triple play unfolded so quickly Kent barely had a chance to move from the batter's box before it was over.

"When it went off the bat, I didn't have time to think," Kent said. "I was just in shock. I hit that ball hard. What can you say?"

Schilling, touched for seven hits, including a pair of solo homers by Barry Bonds, started the eighth by fanning Rich Aurilia. But the ball got away from

the catcher, Bobby Estalella, allowing Aurilia to reach first. He moved to second on another wild pitch, and Bonds was intentionally walked.

Kent's liner went right to Arias, who flipped the ball to the second baseman, Mark Lewis, to double off Aurilia, and

NL ROUNDUP

Bonds was caught off first when Lewis completed the triple play by relaying to the first baseman, Rico Brogna.

Buoyed by the Phillies' first triple play since Sept. 20, 1992, against Pittsburgh, Schilling came back to close the game out, stranding the tying run at second when he got the pinch-hitter J.T. Snow to ground out.

It was the second time this season that the Giants hit into a triple play. The other came Aug. 3 against the New York Mets.

"That was total misfortune," the San Francisco manager, Dusty Baker, said.

"That's two this year. I hadn't seen two in my career."

Astros 11, Pirates 4 In Houston, the rookie Richard Hidalgo homered twice as the Astros got their 40th come-from-behind victory this season.

Shane Reynolds (17-8) struck out a season-high 11 in seven innings for Houston, which has won three straight and 18 of 23.

Dodgers 4, Mets 2 The reserve catcher Tom Prince hit a tie-breaking two-run double in the seventh inning, and the former Met Dave Mlicki struck out a season-high nine.

New York's loss, coupled with Chicago's victory, left the Mets and Cubs tied for the NL wild-card lead.

Pitching in 101-degree heat at Dodger Stadium, Mlicki went the distance, giving up two runs on eight hits.

Expos 2, Padres 1 Mike Thurman and three relievers held San Diego to three hits, and the former Padre Scott Lillingstone had a pinch-hit run-scoring

single in the seventh for visiting Montreal.

The Expos handed Kevin Brown (17-5) his second loss in his last 16 decisions.

Reds 14, Marlins 7 In Cincinnati, the Reds finished a perfect season against Florida—winning all nine games—by coming from behind three times.

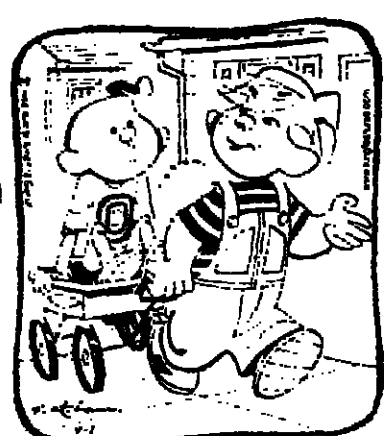
Bret Boone hit his fourth homer in four games, drove in four runs and extended his hitting streak to a career-high 13 games as Cincinnati completed a four-game sweep of the defending World Series champs.

It was the first time this century that the Reds were undefeated against another NL team in a season.

Diamondbacks 7, Brewers 3 Matt Williams homered, drove in four runs and stole two bases as Arizona made it three in a row over visiting Milwaukee.

Devon White was 2-for-3, including his 21st home run, and scored three times.

DENNIS THE MENACE



"JUST THINK, JOE... IF THE STORK HAD LANDED TWO MORE HOURS FURTHER, YOU'D BE MY LITTLE BROTHER!"

JUNGLE

THAT SCRAMBLED WORD GAME

Use the letters in the word below to make as many words as you can. Write them in the spaces provided.

YONEH

WHYROT

GLAUPE

Answer: A

THINK VOCAL RABBIT ARIATE

Answer: A

THINK VOCAL RABBIT ARIATE

Answer: A

THINK VOCAL RABBIT ARIATE

Answer: A

THINK VOCAL RABBIT ARIATE

Answer: A

THINK VOCAL RABBIT ARIATE

Answer: A

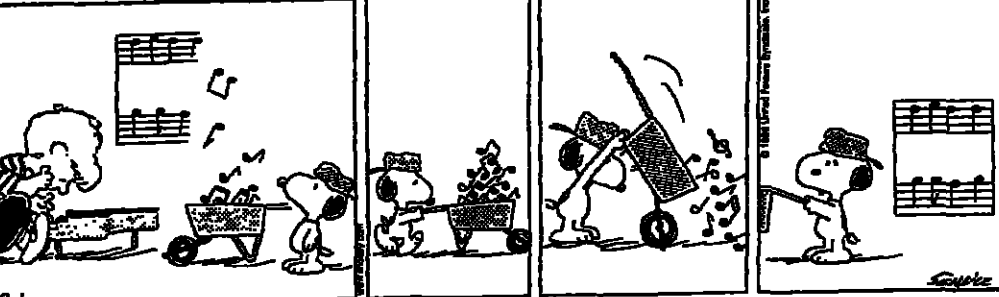
THINK VOCAL RABBIT ARIATE

Answer: A

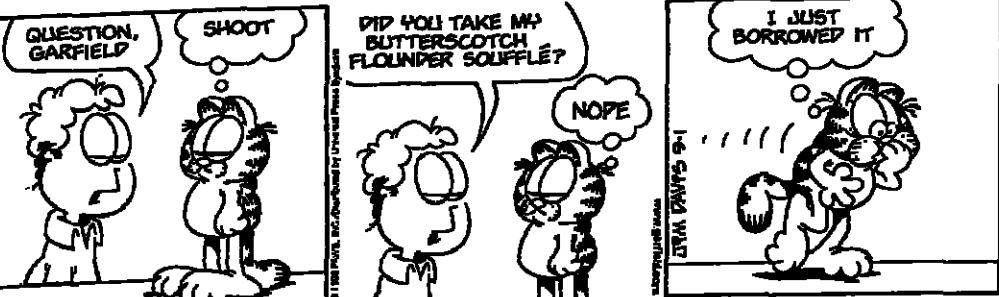
THINK VOCAL RABBIT ARIATE

Answer: A

PEANUTS



GARFIELD



BEETLE BAILEY



BLONDIE



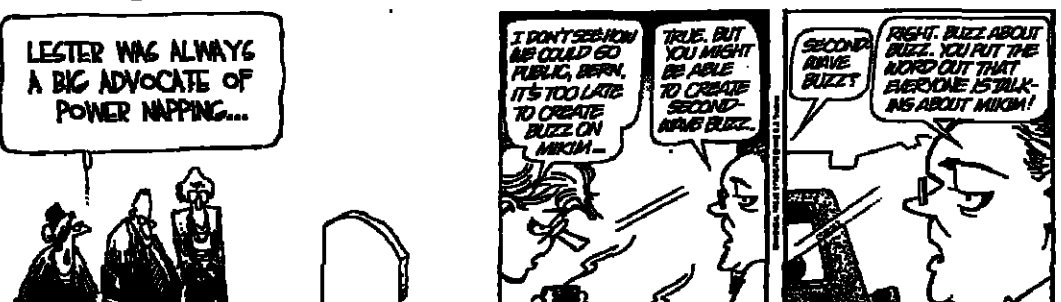
CALVIN AND HOBBES



WIZARD OF ID



NON SEQUITUR



DOONESBURY



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ART BUCHWALD

Bill's Advice to Boris

NEW YORK — It was the first meeting in Moscow between Boris Yeltsin and President Clinton. The ruble was lower than the Moscow subway.

Yeltsin said to the president, "I'm up to my ears in fiscal borscht. What do I tell my people?"

Clinton said, "Tell them the truth. They'll forgive anything if you tell them the truth."

"But my devaluation plan didn't work."

"The country is going broke."

"It doesn't matter as long as you level with your people. They expect you to make a few mistakes. After all, leaders of superpowers can screw up. But if you go on television and offer a mea culpa, they will say, 'Let's get on with it.'"

Yeltsin said, "What's a mea culpa?"

"You go on television and ask everyone, including God, to forgive you for your sins."

"Will it work?"

"It always works for me," Clinton said. "I had a problem recently, and I was being criticized for it. So I told the country I had made a slight mis-

take, and afterward everyone was glad I admitted to it."

"Will they forgive me for defaulting on my loans?"

"They forgave me when I said I had defaulted on personal matters, and everyone breathed a sigh of relief. In our country they like a president who is a straight shooter."

"Suppose I devalued the ruble, defaulted on my loans and had an affair with a ballet dancer in the Kremlin. Should I confess to all three?"

"Two out of three is enough. The Russian people don't want to hear all your mistakes."

Yeltsin was grateful. "I feel terrible about the ruble falling. At the beginning I denied that it had fallen. But then the evidence kept piling up, and I was sure people would not believe me. The Russians get upset about their rubles."

"You did the right thing, Boris. Never explain and never complain. Swearing on a stack of rubles usually works when all else fails."

"Will my confession help me in the polls?"

"It helped me. I was way down in the polls until I told the truth about Hurricane Bonnie on CNN."

Dublin Spirits Away Artist's Studio

LONDON — The studio of Francis Bacon, Britain's most famous post-war artist, has been secretly dismantled and transferred from London to Dublin, the Sunday Times says. John Edwards, Bacon's heir, told the paper he had given the Tate Gallery first refusal, but his offer had been spurned.

The studio in South Kensington was taken apart by "archeologists" from the Hugh Lane Gallery in Dublin. It will take several months to reassemble and it will then go on permanent exhibition. The paper said the transfer had caused outrage among art scholars and politicians who said the government should have intervened to save the studio for England.

Bacon, who was born in Dublin, found fame in London where he lived his death from a heart attack in 1992.

Who Owns N.Y. Skyline? Check the Fine Print

By David W. Dunlap
New York Times Service

NEW YORK — For years, Bobby Short has been singing at the Café Carlyle that he feels New York is really "my personal property, right down Broadway to City Hall."

Careful, Bobby. That slice of New York skyline you think is yours may in fact be trademarked.

The art deco spire of the Chrysler Building is a registered trademark (No. 1,268,888). So is the neoclassical facade of the New York Stock Exchange (No. 1,761,655). Even the Manhattan White Pages needed permission to depict "Patience," one of the marble lions guarding the New York Public Library on Fifth Avenue (Trademark No. 1,838,167).

Rockefeller Center has applied for trademark protection of its centerpiece skyscraper, 30 Rockefeller Plaza, along with representations of the skating rink, Prometheus and Atlas. Radio City Music Hall is considering trademarking its signature art deco interiors. The Flatiron Building and Grand Central Terminal are other eligible candidates.

Indeed, a growing number of landlords are seeking to control the ways in which images and likenesses of their distinctive buildings are used by others. They mean business, too. The New York Stock Exchange has sued the New York-New York Hotel and Casino of Las Vegas for building a one-third-scale model of the exchange's facade on the gambling floor.

"We've never taken the position that somebody who walks in off Las Vegas Boulevard will think they're in the Stock Exchange," said Doreen Costa of Baker & Botts, lawyers for the exchange. "But somebody may believe that this is licensed."

And in New York the owners of the Chrysler Building have demanded that Fish Eddy, a tableware store, stop selling a line of dishes called 212, which depicts the building's Jazz Age spire among other

New York landmarks in the border.

The chill from these cases is being felt not just by souvenir makers, who reproduce buildings on mugs, magnets or salt-and-pepper shakers, but by designers, publishers, photographers and horror-film makers in search of fresh landmarks to crush. Their needs can conflict with those of owners determined to treat architectural features as valuable — and exclusive — assets.

"It is the responsibility of the ownership to protect the goodwill that is symbolized by the mark," said Keri Christ of Milbank, Tweed, Hadley & McCloy, lawyers for the owners of the Chrysler Building, the Flatiron Building and Rockefeller Center.

"This is analogous to the situation where a celebrity or a famous person has a property right in their name and likeness that enables them to control the commercial exploitation of their identity," she said. "Why would you want to deny that kind of protection to a famous landmark?"

Because, said Julie Gaines, the co-owner of Fish Eddy, "it's un-American!"

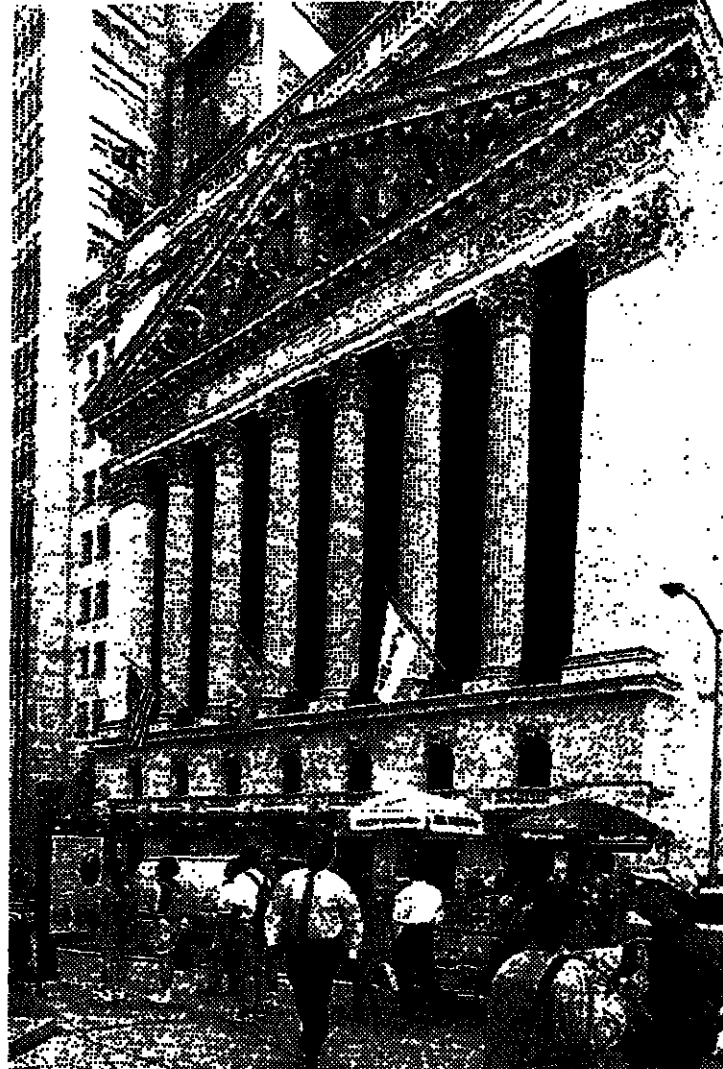
"How can they say we can't use the Chrysler Building?" she asked. "We wanted to do a plate that represented New York City. Leaving off the Chrysler Building would be like leaving off the World Trade Center."

David Childs, a partner in Skidmore, Owings & Merrill, which has designed corporate icons like Lever House on Park Avenue, was outraged to learn that the stainless-steel Chrysler spire was a trademark.

"Does this mean you can't use stainless steel?" he wondered. "Does this mean your building cannot come to a point? What about Imhotep?"

Come to think of it, William Van Alen's design for the top of the Chrysler tower does bear an elongated resemblance to Imhotep's Step Pyramid at Sakkarah, Egypt, built almost 4,800 years ago.

The notion of trademarking a building is not as ancient as that,



Architecture as a valuable asset: The neoclassical facade of the New York Stock Exchange is a registered trademark.

but it is not freshly concocted. It goes back at least to the 1930s, when courts held that White Castle had an exclusive right to its distinctive diner design.

In 1879, the engineer Gustave Eiffel obtained a patent on his structural system for the Statue of Liberty. (The statue's image is

firmly in the public domain.) Patents, which protect inventions, are not usually sought for one-of-a-kind structures.

"The type of things that are more likely to be patented are Fotomats, telephone booths, fast-food restaurants, styles of layouts," said John Kittle, the director of the design

examining group in the Patent and Trademark Office in Washington.

Copyrights, which protect original artistic works, are more often claimed by architects.

Platt Byard Dovell Architects adds a © to each drawing. "Put a 'C' in a circle says to the owner, 'You can't copy my drawing,'" said Paul Byard, a partner in the firm and a lawyer.

Trademarks are indicators of designs, symbols, words or phrases — that distinguish the goods and services of one party from those of others. Federal registration is not required, although it helps in legal challenges.

As a trademark, a building is no different from any other three-dimensional object that plays such a role — the Weber grill, the Pepperidge Farm Goldfish cracker or the Coca-Cola bottle.

Coke bottles featured prominently in the case of the Rock 'n' Roll Hall of Fame and Museum in Cleveland, which has sued to prevent a photographer, Charles Gentile, from selling posters showing the pyramidal facade of its building.

"The physical structure of the museum, the I.M. Pei-designed building is 'the Coke bottle,'" declared Chief Judge Boyce Martin Jr. of the 6th U.S. Circuit Court of Appeals in Ohio, in a dissenting opinion in the case.

"Its building symbolizes something unique and protectable under the trademark laws," he wrote. "Like the Coke bottle, the building is also a container. Instead of containing a soft drink, the museum envelops an array of tangible and intangible elements."

But the two-judge majority disagreed, lifted an injunction against Gentile and sent the case back to district court.

"When we view the photograph in Gentile's poster, we do not readily recognize the design of the museum's building as an indicator of source or sponsorship," they declared. "What we see, rather, is a photograph of an accessible, well-known, public landmark."

PEOPLE

the gallery's exhibition of works by Johannes Vermeer.

A self-declared "King of Patagonia" said Monday that his troops had claimed deserted British rocks in the English Channel to protest Britain's "occupation" of the Falkland Islands. The office of King Orelie-Antoine I said troops had stamped the name of the Kingdom of Patagonia and hoisted its flag on the largest of the rocks. But most of the Minquiers rocks are under water at high tide. The International Court in The

Hague in 1953 turned down a French claim and confirmed British sovereignty. "King" Orelie-Antoine, an eccentric writer whose real name is Antoine Tournes, says he took over France's rights to the rocks. He claims to be a relative of a French adventurer who declared a short-lived Kingdom of Patagonia on Argentine territory in the 19th century.

More than 500 guests flew in to Juneau, Alaska, for a "top secret" party aboard a cruise ship that was being thrown by Paul Allen, a co-founder of Microsoft, for Bill Gates, the company's chief. Among them were Candice Bergen, James Cameron, Debbie Reynolds and Jeff Goldblum. Guests arrived on 20 or so planes, and were taken by bus to a 960-passenger cruise ship to cruise Glacier Bay and the Inside Passage.

Merle Haggard was supposed to be the headliner at the Red River Music Festival in Wichita Falls, Texas, but a gum infection forced organizers to postpone the show. "He can't even talk right now," a spokesman said. "There's no sense in the festival going on without Merle."

The fall cultural season at the Almeida Theater in London opens Tuesday with the world premiere of an Edward Albee play. "The Play About the Baby" is an exploration across generation and gender of the relationship of four people.

Architect Opens Solo Show

New York Times Service

NEW YORK — Maya Lin, who vaulted to prominence as an artist when she won the competition to design the Vietnam Veterans Memorial in Washington while still an undergraduate at Yale in the early 1980s, will have her first solo museum exhibition in New York beginning Tuesday. The show, "Maya Lin: Topologies," runs through Oct. 31 at the Grey Art Gallery of New York University.

The show includes 15 works in glass, wood and wax, adapted from computer-enhancing imaging and microscopy and aerial views of Earth from airplane and satellite. Also included are prints, drawings and models.

WITH canvases like "Girl Before a Mirror" and "Three Musicians," the Los Angeles County Museum of Art will open a major exhibition of paintings, drawings, sculptures, collages and prints by Pablo Picasso. Beginning Sunday and continuing through Jan. 4, 1999, "Picasso: Masterworks From the Museum of Modern Art" draws on the holdings of that museum, which has one of the world's most comprehensive Picasso collections.

Britain's vice consul on the Spanish island of Ibiza is quitting the post out of disgust at the antics of his fellow countrymen. The Mail newspaper reported that Michael Birkett felt "ashamed to be British" after spending 18 months watching young British "degenerates" who flocked to the island seeking sun, sex and heavy drinking sessions. "I have always been proud to be British, but these degenerates are dragging us through the mud," he said. "The young people are out of control. I am so angry at the degrading behavior and the bad name Britain is getting in Europe, I knew it was time to leave."

More than 600 people lined up Sunday for tickets to a show of 70 paintings by Vincent van Gogh that will open in Washington on Oct. 4. Some had been standing in line since 6:20 A.M., though the National Gallery of Art opened at 11 A.M. A spokeswoman said such lines had not been seen since



POWWOW — Tom LaBlanc, a Dakota tribe member, performing at a gathering in Bowling Green, Kentucky of American Indian dancers from 12 states.



(out of the blue)

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Marked Future

By...

WASHINGTON — The stock market's... through policy... more pressure on the... board to cut interest rates... the air of prosper...

Clinton's political support... government officials say... Unlike the stock market... October 1987, the financial... ended the 512-point downturn...

Clinton administration rush... treasury secretary, Robert Rubin... with soothing words about the s...

Mr. Rubin, who was back in W... upon after two weeks of vaca... Monday he had spoken di...

day with Mr. Clinton, who... dropped precipitously... Greenspan, the Fed...

chairman, who wa... in California.

A spokeswoman for the Fed... Lynn Fox, said the cen... had no comment on the mar...

But economists said... sharp drop in the market he... had a more compelling case than...

money could slow substantially... months and that a cut in...

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Malaysia's... turned its back on the fr... Tuesday, becoming the fu...

Asian country hit by the r... economic crisis to clamp down...

currency trading... government said Tuesday th...

measures, including restrictions... investment in Malaysia and a b...

the country, would insulate th... economy from the spreading...

People can no longer stay with th... free-market system," Prime...

Minister Mahathir bin Mohamad said... along the measures. "They nee...

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